



Daily Report

China

**FBIS-CHI-94-234
Tuesday
6 December 1994**

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United States & Canada

Spokesman Criticizes US Official's Taiwan Visit

HK0612090594 Hong Kong AFP in English 0819 GMT
6 Dec 94

[FBIS Transcribed Text] Beijing, Dec 6 (AFP)—China lashed out at Washington Tuesday over a visit to rival Taiwan by US Transport Secretary Federico Pena, saying it constituted a "serious violation" of Sino-US agreements. "The decision by the US government to send a cabinet minister to Taiwan, in disregard of the opposition from the Chinese side, is a serious move (toward) upgrading US-Taiwan relations and conducting official exchanges with Taiwan," a foreign ministry spokeswoman said.

It "thus constitutes a serious violation of the three Sino-US joint communiques. It also runs counter to the US government's repeated commitment to restrict US-Taiwan relations within the framework of unofficial relations," the spokeswoman said. She warned Washington to refrain "from doing anything detrimental to the relations between the two countries."

Beijing bans countries with which it has diplomatic ties from maintaining official relations with Taiwan, which it has regarded as a renegade province since the Nationalist government fled to the island after losing a civil war to the communists in 1949.

The communiques referred to by the spokeswoman are joint statements that have been issued since the historic 1972 visit to Beijing by the then US president, Richard Nixon. Under them, Washington adopted a "one-China policy," recognising Beijing as the legitimate government of China, while agreeing to ban official ties with Taiwan and to reduce gradually military sales to the island.

Pena arrived in Taiwan Sunday, becoming the second senior US official to travel to the island since Washington switched diplomatic recognition from Taipei to Beijing in 1979 and banned high-level visits.

Article Warns U.S. on Approach to GATT Talks

HK0612060294 Hong Kong WEN WEI PO in Chinese
6 Dec 94 p A2

["Special article" by Washington-based special staff correspondent Zhu Xingfu (2612 1630 4395) from Washington on 5 December: "The United States Should Stop Before Going Too Far in Talks on China's GATT Membership"]

[FBIS Translated Text] Will China be able to conclude the substantive talks with GATT on its return to the organization by the end of this month and then join the World Trade Organization in January next year as one of the founding members? Now, the key lies in the attitude of the United States. The trade delegation of the Chinese Government is holding a new round of talks with the United States and GATT in Geneva. The Chinese side has indicated that no matter whether the talks are successful or

unsuccessful, this is the last time China is putting forward its substantive solution before its return to GATT.

There Should Be a Transitional Period in the Opening of the Chinese Market

The talks about China's re-entry into GATT have been held over eight years. In the past eight years, China has made great efforts in many aspects. It has reduced its tariffs again and again, and the reduction of import duties has covered all categories of commodities. China's market has also gradually opened to the outside world. The administrative rules for restricting importation have been reduced to almost nil. China has changed from a closed planned economy into an open market economy. More and more foreign businessmen have come to make investment and reap profits in China. The scale of their business in China is growing, and they have greater and greater interests in doing business in China.

Of course, being a country with a huge population and a weak economic foundation, China cannot complete its reform overnight. The opening of its market also needs to experience a transitional period. In August this year, China put forward a package solution in the talks on its return to GATT, and made further concessions in many aspects. However, the U.S. side was still unsatisfied, and hoped that China would make greater concessions. This time, in the Geneva talks, it is believed that the Chinese side will come up with a new package. However, if the U.S. side still sets too high demands on China in the last round of the substantive talks and still adheres to an excessively tough stance, the prospects for the talks may be rather dim.

The United States and other Western industrial countries all hope that China will become one of the founding members of the World Trade Organization, and this is related to China's position in the world economy. China is now the world's 11th-largest trade partner. With the rapid development of the Chinese economy and the recovery of sovereignty over Hong Kong in 1997, China's weight in the world economy and trade will further increase. Because of China's rapid economic development and the great increase in its foreign trade, the United States has again and again set harsh demands on China in the talks, and even insisted on taking China as a developed country.

The United States Should show Sincerity and Flexibility

Some American people think that if China is allowed to join the World Trade Organization as an ordinary developing country, China may gain too much benefit. With China as a precedent, Russia and other East European countries may also demand greater advantages in their trade talks with the United States and GATT, and this will harm the bargaining position and the interests of the World Trade Organization. Therefore, they proposed that the United States adopt a tougher attitude in the talks with China, and force China to make greater concessions in the aspect of market accessibility. This is aimed at prompting

Russia and other countries to adopt fewer protective measures when they join the World Trade Organization in the future.

If the United States insists on taking China as a developed country, this is unfair to China, which has just shaken off poverty. China has just solved the issue of guaranteeing sufficient food and clothing for its 1.2 billion population. China's per capita income is still much lower than that in many developing countries. It is unrealistic for the United States to force China to unilaterally make great concessions. China cannot make unlimited concessions in the talks on its return to GATT, and China will not pay any cost in order to join the World Trade Organization. Therefore, the United States should also show its sincerity and flexibility in the talks, and should not just support China's return in word and continue to set up obstacles in deed; otherwise, the talks on China's return to GATT will just end in failure.

On the issue of opening the Chinese market, the United States should not set too harsh demands on China. The Chinese economy is undergoing major reforms, but some young industries in China at present still need support and protection. If China is forced to open its market wide now, its young national industries will not be able to stand the external impact, and a large number of China's state-owned enterprises will fail in the competition. If such problems occur, the impact will not only be in the economic field, and it is very likely to trigger off social and political trouble in China. If there is social instability in China, this will be disastrous to both China itself and the Western countries. The United States hopes that China will more rapidly open up its services market and financial market. This is just to force China to do what it will not and cannot.

China has carried out major reform in its banking and financial industry this year by setting up commercial banks, policy-oriented banks, and specialized banks and allowing foreign banks to handle renminbi-related banking business on a trial basis. However, China's banking and financial services industry has not grown mature enough, and if full-scale opening is effected too early in this field, China's domestic banks will not be able to stand the intense competition from foreign banks. The banks control the lifeline of the national economy. If a country's banking industry is dominated by foreign countries, the economic development of that country will not be healthy. If China's economic development is constrained by foreign forces, the interests of foreign businessmen in China will also be affected in the end.

Effective Measures for Protecting Intellectual Property Rights

However, this does not mean that China cannot make any bit of concession in the talks. For example, in the aspect of tariffs, China can still appropriately lower import duties according to concrete conditions. At present, what China can more easily do is to take action to protect intellectual property rights. China has enacted laws and regulations in

this regard, and Chinese Government leaders have made promises. Thus, China can now take effective measures to eliminate the phenomena of violating intellectual property rights in order to maintain China's international reputation and dignity.

In fact, the departments concerned in China have taken a series of shock actions against the behavior of violating intellectual property rights by searching for and confiscating pirate compact discs and audio-video products. However, the activities of pirating such products are still continuing in some provinces and cities. American companies are full of grievances at this. The United States hopes that China will establish a mechanism for conducting regular inspection and exercising day-to-day supervision on the conditions of protecting intellectual property rights, thus checking the piracy activities in good time rather than relying merely on some shock actions. The United States also hopes that the Chinese authorities concerned will be able to deal with some powerful pirate manufacturers rather than evading the problems.

Pirating the fruits of other people's work is shameful behavior, and such illegal activities should be banned and punished. Not only has China the duty to protect the intellectual property rights of other countries, but the Chinese people also hope that their own intellectual property rights will be respected and protected in their own country and in other countries. When covering news in Indonesia recently, this reporter found that some brand-name Chinese products and famous trademarks were being exposed to serious infringement in some Southeast Asian countries. When the Chinese people know that their interests are being harmed, they also certainly feel angry. Therefore, all countries in the world should make joint efforts to strictly enforce the regulations on protecting intellectual property rights.

The Breakdown of the Talks Will Do No Good to Any Side

At the Sino-U.S. summit meeting in Jakarta, the issue of China's return to GATT was one of the main subjects discussed by President Jiang Zemin and President Clinton. The Chinese side hoped that the United States would make a political decision on supporting China's return to GATT, but the United States hoped that China would make new major concessions. However, these two things have not occurred so far. Some people here said that the Chinese side might think that it was useless to make further concessions too early as the U.S. Congress had not ratified the GATT free trade agreement; on the other hand, the United States thought that it was still not the time to make the political decision as China had not come up with a new solution with a substantial compromise.

The free trade agreement has now been ratified by the U.S. Congress, and the final round of substantive talks between China and the United States has begun. Therefore, after China comes up with its substantive offerings in the talks on its return to GATT, a sensible step the United States should take is to stop making further demands after

winning certain points and to make the political decision on supporting China's participation in the World Trade Organization. An American scholar pointed out: Some American people think that the issue of returning to GATT is the only means of forcing China to make major concessions, so they try hard to exert pressure on China. This is incorrect. The famous scholar also said that some technical issues could be solved in a few months after allowing China to return to GATT early next year [as published].

Since the United States and the industrial countries in Europe and Asia all hope that China will join the World Trade Organization, the United States and GATT should adopt a moderate approach to China's new package in the forthcoming bilateral and multilateral talks in order to smoothly solve the issue of China's return to GATT. If China is excluded from the World Trade Organization, China will call off all the promises it has made in the previous talks, and the result will do no good to any side. Therefore, it is hoped that there will be a successful result on the issue of making China one of the founding members of the World Trade Organization next year.

Qian Qichen Meets U.S. Visitors

*OW0612074694 Beijing XINHUA in English 0737
GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with Don Clifton, chairman of the Gallup Inc. of the United States, here today.

Qian extended welcome to Gallup's cooperation with China in investigations of the Chinese market.

Since China has a vast population and a big market, Qian said, it is necessary to do some investigation and research work when a foreign corporation is planning to expand its business in China.

The Gallup set up a Gallup Research Co. Ltd. (China), a joint venture with China's Carrie Enterprises Ltd. last year to offer information services to Chinese and overseas customers.

Clifton and his party are here as guests of the China Association for International Friendly Contacts.

Christopher's Faces Tough Mission to Middle East

*OW0512131094 Beijing XINHUA in English 1253
GMT 5 Dec 94*

["News Analysis" by Meng Xin]

[FBIS Transcribed Text] Cairo, December 5 (XINHUA)—American Secretary of State Warren Christopher's new mission to the Middle East that starts Tuesday [6 December] is considered important but will be very tough.

Christopher, who has been to the region five times since April in order to push forward the Middle East peace

process, is scheduled to shuttle between Damascus and Israel Tuesday, Wednesday and Thursday.

Since U.S. President Bill Clinton's visit to Syria and his meeting with Syrian President Hafiz al-Asad in October failed to clinch a breakthrough on the Syrian-Israeli track of peace talks, Christopher's visit has become particularly crucial in reviving the talks.

During Clinton's visit to Damascus, President al-Asad expressed his readiness to meet at least one of Israel's key demands for peace, a normalization of diplomatic and other ties, though at the same time he repeated his insistence that in exchange, Israel must give back every inch of the strategic Golan Heights which the Jewish state captured in the 1967 Middle East war.

Syria has demanded that Israel commit itself to a full withdrawal, which should be completed within a year, stressing that peace required an end to the Israeli occupation of the Golan and other Arab territories.

But Israel has so far only offered a partial withdrawal phased over several years, reportedly no less than three years, which Damascus has rejected.

It seems that al-Asad's open expression of his commitment to peace with his long-time enemy has not given an impetus to the Syrian track, or even resumed the bilateral peace negotiations suspended since the Hebron mosque massacre last February.

Even worse, Israel and Syria just had the latest round of battle of words a few days before Christopher's mediation tour of the two countries.

Syria again attributed the deadlock to Israel's obstinacy, while Israel declared that it would not make concessions to Syria that could endanger the nation's security. Israeli Prime Minister Yitzhaq Rabin said last Tuesday that it was up to Syria and not Israel to make the next move.

Itamar Rabinovich, the Israeli Ambassador to the United States and a leading negotiator with the Syrians, said it was up to Christopher to rescue the peace process.

Syria, too, pins on a new U.S. Middle East peace mission, which the state-run English-language "SYRIA TIMES" said today, "can play a more constructive role in curbing Israel's intransigence and belligerency and in putting things in the right path."

Christopher almost surely will try his best since success on the Syrian-Israeli track may well be the last chance for the U.S. administration to transform domestically and abroad the image of President Clinton whose Democratic Party not long ago just lost in the mid-term elections.

The Republican Party's landslide victory in Congress elections has shifted the Clinton administration's priorities to domestic matters in order to improve Clinton's prospects for a victory in the next U.S. presidential elections.

Christopher, during his forthcoming tour, is expected to try to persuade Syria to resume bilateral negotiations and bridge differences between the two countries.

He may achieve some progress in doing that in spite of the seeming intransigence of both sides.

Professor Moshe Maoz, director of the Trumen Research Institute for the Advancement of Peace under the Hebrew University, said on Israel television Saturday that Christopher may bring some "American blueprints which will enhance the peace negotiations."

The Israeli top analyst on Syrian issues said that the verbal battle between Israel and Syria might be "some kind of smoke screen behind serious although tough negotiations going on."

There have been reports of alleged secret contacts between negotiators from both sides though public negotiations have not yet resumed.

Reports said that the two sides have discussed certain details of security arrangements, an issue raised along with the talks over the Golan Heights.

As the prevalent political climate increasingly encourages normalization of relations, Christopher's visit may spark a major transformation on the Syrian track, although it is still uncertain whether his mission will be successful or not.

Rabin said earlier that negotiations with Syria will stall indefinitely if progress is not made by the end of 1995.

Northeast Asia

Japanese Banks Become 'Major Force' in Shanghai

HK0612070894 Hong Kong AFP in English 0415 GMT 6 Dec 94

[FBIS Transcribed Text] Shanghai, Dec 6 (AFP)—Japanese banks have become a major force in Shanghai's banking industry, accounting for a third of foreign bank branches and a quarter of representative offices, a top official said.

Vice-mayor Xu Kuangdi was quoted Tuesday by Shanghai Securities News as saying Japan had the largest number of foreign bank branches and representative offices in Shanghai.

Of the 31 branch offices, nine are Japanese, as are 24 out of 86 representative offices.

The report said the banks had followed in the footsteps of Japanese enterprises, which have been major investors in the eastern port city.

In the first 11 months of the year, Japan accounted for 1.5 billion dollars of the total foreign investment of 9.1 billion dollars.

The Shanghai Bank (Foreign Exchange) Association and the Osaka Bank Association signed an agreement here Monday to set up of representative offices to provide training cooperation and information exchange.

Tianjin Secretary Meets Visitors From DPRK

SK0612124094 Tianjin People's Radio in Mandarin 2300 GMT 5 Dec 94

[FBIS Translated Text] On 5 December at the Sheraton Hotel, Gao Dezhan, member of the CPC Central Committee and secretary of the Tianjin Municipal CPC Committee, met with (Kwon Junkil), member of the Central Committee of the Workers Party of Korea and deputy director of the Central International Department; and his party.

Accompanied by Li Shuzheng, head of the international liaison department of the CPC Central Committee, (Kwon Junkil) and his party visited Tianjin. The group visited a minicar manufacturing plant and the Tianjin Development Zone.

At the meeting, Gao Dezhan welcomed the guests on behalf of the Tianjin Municipal CPC Committee.

Gao Dezhan said: China and the DPRK are good neighbors. The peoples of the two countries have traditionally profound friendship. The friendship developed by the leaders of the older generations of the two countries can withstand the tests of the time and extremely be cherished by us. We also hope that the friendship will develop further.

In regard to the current and future development situation of Tianjin, Gao Dezhan said: In line with Deng Xiaoping's theory on building a socialism with Chinese characteristics and the arrangements of the party Central Committee, Tianjin has made positive efforts to promote the progress of reform, opening up, and modernization. Over the past years, Tianjin has made outstanding achievements in socialist modernization; realized a sustained, fast, and sound economic development; and made gratifying results in building the spiritual civilization. The municipality stands among the country's best in terms of public order. Now, the municipality as a whole is making efforts to deeply implement the guidelines of the fourth plenary session of the 14th party Central Committee, to strengthen party building, and to lay a good foundation for the 1995 work in line with the [words indistinct]. By the end of this century, Tianjin will build itself into a commercial and trade center in north China, a technologically advanced overall industrial base, and an internationally modernized port city opening to all directions. At the time of persistently taking the economic construction as a key link, we should persist in the principle of taking a two-handed approach and being tough with both hands, closely rely on the broad masses of the people; do our best to do solid, good deeds for the people; and ceaselessly improve the people's material and cultural life. With the concerted

efforts made by 9 million people in the municipality, we will certainly realize this target.

(Kwon Junkil) said: During our visit in Tianjin this time, we saw with our own eyes Tianjin's gigantic achievements in building socialism with Chinese characteristics as well as the achievements in reform and opening up. I have been in Tianjin several times. But, this time, I feel that gigantic changes have taken place in Tianjin. One-story houses and narrow roads have disappeared and have been replaced by high buildings and wide roads. Industry develops at a faster speed. All this has left a deep impression on me. Tianjin is a symbol of the friendship between the DPRK and China. Chairman Kim Il-song personally visited Tianjin. We sincerely hope that Tianjin will make greater achievements and our friendship will develop from generation to generation.

Zheng Zhiying, standing committee member and secretary general of the municipal party committee; and responsible persons of the departments concerned were present at the meeting.

Wu Yi Holds Talks With Mongolian Trade Ministers

OW0612045894 Beijing XINHUA in English 0343
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Wu Yi, Chinese minister of foreign trade and economic cooperation, held talks with Tsebegmidiyn Tsogt, minister of trade and industry of Mongolia, here this morning.

The two sides exchanged views on issues of bilateral trade and economic cooperation.

Tsogt and his party, who arrived here yesterday as Wu's guests, are also scheduled to visit Shanghai and Suzhou.

Southeast Asia & Pacific

Queen Monineath Sihanouk Leaves for Beijing

OW0512150894 Beijing XINHUA in English 1433
GMT 5 Dec 94

[FBIS Transcribed Text] Phnom Penh, December 4 (XINHUA)—Queen Norodom Monineath Sihanouk left here for Beijing this morning after concluding a 12-day visit to Cambodia.

Her coming back to Cambodia was to convey the affectionate greetings and regards of Samdech Norodom Sihanouk, king of Cambodia, to his beloved compatriots.

During her stay in Cambodia, she toured provinces of Kandal, Kompong Speu and Kompong Chhnang, distributing relief to victims of natural calamities and disabled people.

She also visited the Royal Cambodian Armed Forces' Development Center at Kdan Roy in Kompong Speu,

southwestern Cambodia, and inaugurated the recently-renovated terminal of the Pochentong international airport and presided over the inauguration of a school.

Queen Monineath Sihanouk enthusiastically took part in charity bazaar activities and presided over a theatrical festival in the government palace here for collecting money for the Cambodian Red Cross.

Everywhere the queen went, she conveyed the deepest sympathy of King Norodom Sihanouk for his compatriots, and was warmly welcomed by the local people.

She told the compatriots that the king would soon return to Cambodia to see them.

Chea Sim, acting head of state and chairman of the National Assembly, Second Prime Minister Hun Sen and cabinet ministers as well as foreign ambassadors to Cambodia were at the airport seeing the queen off.

Tian Jiyun Attends Thai King's Birthday Parade

OW0612054794 Beijing XINHUA Domestic Service in
Chinese 1530 GMT 3 Dec 94

[By reporter Wang Weijun (3769 5898 6511)]

[FBIS Translated Text] Bangkok, 3 Dec (XINHUA)—This afternoon, the Thai Armed Forces held a grand parade at the King V [Rama] Square in downtown Bangkok to celebrate King Phumiphon Adunyadet's birthday.

Tian Jiyun, vice chairman of the Chinese National People's Congress Standing Committee, who was here on a goodwill trip and also to attend King Phumiphon's birthday celebration, was invited to attend the parade and took a seat at the rostrum.

The parade began at 1600. The king, accompanied by his queen, rode on a cream-colored open vehicle to inspect a guard of honor comprising the three services—the army, navy, and air force. In a speech delivered at the parade, the king urged officers and men of the three services to strengthen unity, and to pledge to fight to the death in defending national security and the people's well-being.

Several thousands of representatives from the Thai Royal Guard and the three services attended the parade.

King Phumiphon was born on 5 December 1927, and ascended to the throne on 9 June 1946.

Tian Jiyun Attends Celebration for Thai King's Birthday

OW0612113894 Beijing XINHUA Domestic Service in
Chinese 1550 GMT 4 Dec 94

[By reporter Wang Weijun (3769 5898 6511)]

[FBIS Translated Text] Bangkok, 4 Dec (XINHUA)—Tian Jiyun, vice chairman of the Standing Committee of the

Chinese National People's Congress, who is visiting Thailand, today attended activities to celebrate the birthday of Thai King Phumiphon Adunyadet on Yaowarat Road in Bangkok's Chinatown.

At 4 P.M., Tian Jiyun went to the busiest section of Yaowarat Road to cut the ribbon for the Chinese celebration procession. Afterwards, dragon and lion dancing groups and drum and gong teams from all over the country started to parade through the streets in Bangkok, crowds of people lined up on both sides of streets, and the city was full of happy festive mood.

At 7:30 P.M., together with Thai Minister of Interior Chawalit Yongchaiyut, Tian Jiyun presided over a grand meeting to greet Thai King's birthday on Yaowarat Road. In his speech, Tian Jiyun wished prosperity for Thailand and everlasting friendship between the Chinese and Thai people. Chinese artists and dragon and lion dancing groups gave colorful performances at the celebration meeting.

Do Muoi Appreciates Support in 'Revolutionary' Cause

OW0512142994 Beijing XINHUA Domestic Service in Chinese 1556 GMT 3 Dec 94

[By reporter Zhang Jiaxiang (1728 0502 4382)]

[FBIS Translated Text] Hanoi, 3 Dec (XINHUA)—Vietnamese Communist Party General Secretary Do Muoi cordially met with a delegation of the Chinese National People's Congress [NPC] led by Wang Hanbin, vice chairman of its Standing Committee, here this afternoon.

Do Muoi said: "We are very pleased to see that China, which has a population of 1.2 billion people, adheres to the socialist road, enjoys rapid economic development, and continuously improves its people's lives after implementation of reform and opening up under the leadership of the CPC." This is not only in the interests of the Chinese people, but conducive to peace, stability, and development in the region and the rest of the world.

Do Muoi said: The Vietnamese people will never forget the support and assistance rendered by the Chinese party, government, and people to Vietnam's revolutionary cause. He expressed the hope that the Vietnamese parliament and its Chinese counterpart will strengthen exchanges and cooperation, particularly in legislative work, under the new situation.

Do Muoi asked Wang Hanbin to convey his kind regards to Chairman Qiao Shi and other Chinese party and government leaders.

Wang Hanbin conveyed kind regards from Chairman Qiao Shi to General Secretary Do Muoi. He said: "During its visit, the delegation witnessed the extremely important achievements scored by the Vietnamese people in their reform, opening up, and economic construction. We are

sincerely pleased with these achievements." He wished the Vietnamese people a greater success in the great undertaking of building socialism.

Vo Mao [name as transliterated], director of the General Office of the Vietnamese National Assembly, and Chinese Ambassador to Vietnam Zhang Qing were present during the meeting.

This morning, Wang Hanbin and his party laid a wreath at the mausoleum of President Ho Chi Minh, paid their respects to his remains, and visited his former residence and the Ho Chi Minh Museum.

CPPCC Vice Chairman Begins Visit to Vietnam

OW0512164794 Beijing XINHUA in English 1607 GMT 5 Dec 94

[FBIS Transcribed Text] Hanoi, December 5 (XINHUA)—Vice Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) Qian Zhengying began a one-week visit to Vietnam this afternoon.

Qian, who also serves as a consultant for the Chinese People's Association for Friendship with Foreign Countries (CPAFFC), together with her entourage, paid the visit at the invitation of the Vietnam Union of Peace Solidarity and Friendship Organization (VUPSFO).

Qian met the chairman of the VUPSFO, Nguyen Quang Tao, and held talks with him this afternoon.

She said the aim of the visit is to maintain and develop friendship between the peoples of the two countries, and learn about Vietnam's experiences with reform.

Nguyen said Chinese President Jiang Zemin's visit to Vietnam last month was a sign that relations between the two countries have entered a new stage.

China, Australia Sign Science Cooperation Statement

OW0612105494 Beijing XINHUA in English 1010 GMT 6 Dec 94

[FBIS Transcribed Text] Canberra, December 6 (XINHUA)—China and Australia today agreed in a joint statement to further expand cooperation in science and technology in the future.

The statement was signed by Hui Yongzheng, China's deputy minister in charge of the State Science and Technology Commission, and John Bell, deputy secretary of the Australian Department of Industry, Science and Technology, here today.

The statement was signed after two days of discussion of the second meeting of the Sino-Australia Joint Science and Technology Commission (JSTC).

Both the Chinese and Australian Governments expressed their satisfaction at the progress in the science and technology cooperation since the first JSTC was held in Beijing in 1991.

The statement described the progress as "a success," saying that the two sides "wish to expand cooperation," which "will be pursued through a program of exchanges in specific projects of new collaboration."

The new projects of cooperation identified by the two sides includes rare earths, advanced materials such as artificial crystals, transport, environmental monitoring through remote sensing, environmental management and pollution control.

They also agreed to increase cooperation in the making of science and technology policy and management, and basic research and science.

Also under the Chinese proposal, the next JSTC meeting will be held in China in 1997.

The two-day meeting was opened by Australian Minister for Science and Technology Peter Cook and Chinese State Councilor and Minister in Charge of the State Science and Technology Commission Song Jian here yesterday.

The two sides also reviewed at the meeting the process of science and technology cooperation between the two sides in the past three years.

Near East & South Asia

Nepali Education Minister Meets Chinese Visitors

OW0612105694 Beijing XINHUA in English 1027
GMT 6 Dec 94

[FBIS Transcribed Text] Kathmandu, December 6 (XINHUA)—Modnath Prashrit, minister of education, culture and social welfare, met and had a cordial talk with a visiting Chinese delegation here this afternoon.

The education minister said that the current friendly visit by the delegation of the Federation of China Literary and Art Circles would further strengthen the traditional friendship between Nepal and China that are as high as Himalayan Mountains.

The 6-member delegation, led by Liang Guangdi, member of the National Committee of China Federation of Literary and Art Circles and member of the National Committee of the Chinese People's Political Consultative Conference, is the first one coming from China after the new government was formed on November 30.

Prime Minister Man Mohan Adhikari had met the delegation at his office Monday afternoon.

The Chinese delegation arrived here on December 1 for a 13-day friendly visit at the invitation of the Royal Academy.

Reportage on Pakistani President's Visit

Denies M-11 Missiles Purchased

BK0512135794 Islamabad PTV Television Network in English 1300 GMT 5 Dec 94

[FBIS Transcribed Text] The president, Mr. Farooq Ahmad Khan Leghari, has said Pakistan and China are both opposed to international or region hegemony.

Addressing a news conference in Beijing today at the end of his visit to the Chinese capital, he said during talks with the Chinese leaders they reviewed various aspects of bilateral relations with a view to adding further substance to them. During talks, regional developments and the changing international scenario also came up for discussion. He said the two countries have a common perception and viewpoint on emerging new international order. Pakistan and China advocate an international order based on the sovereign equality of nations, adherence to the UN Charter, noninterference in the internal affairs of each other and a more equitable and just international economic regime. Mr. Farooq Ahmad Khan Leghari said he also briefed the Chinese leaders on the grave situation in the occupied Kashmir. We are grateful for the understanding shown by Chinese leaders on the issue.

[Begin Leghari recording in progress] ... and China have for almost three decades had cooperation in all fields, including the military field, and Pakistan has been supplied some weapon system. Pakistan has also been buying some weapon systems from China, mainly midtechnology [as heard] systems, and these were not discussed in detail, these were just reviewed along with other facets of our relationship in the economic and social fields. Both Pakistan and China have very clearly told the entire world time and time again that we have not acquired M-11 missiles from China and neither have they sold us M-11 missiles. We have obtained some missiles which are within the MTCR [Missile Technology Control Regime] parameters. [end recording]

The president said he has urged the Chinese leaders to use their position both as a permanent member of the UN Security Council and as an ally of India and Pakistan to help settle the Kashmir issue. He said China can play an important role in persuading India to achieve a peaceful settlement in Kashmir. He reiterated Pakistan's resolve not to go for war with India on Kashmir and expressed readiness for a meaningful dialogue to settle the dispute which is posing a serious threat to the regional security. He said we want our resources to be used for alleviation of poverty and economic development.

Pakistan, he said, is a small neighbor of India and it desires to see a peaceful settlement of the Kashmir issue which is the unfinished agenda of the partition plan. The two countries agreed on the need to further strengthen cooperation through balanced trade, joint ventures, coproduction, and transfer of technology.

Replying to a question relating to the alleged purchase of M-11 missile, President Farooq Ahmad Khan Leghari strongly denied that Pakistan has purchased these missiles from China.

The president has now reached Shanghai from Beijing on a daylong visit to the industrial city of China.

Meets Shanghai Mayor

*OW0512155794 Beijing XINHUA in English 1526
GMT 5 Dec 94*

[FBIS Transcribed Text] Shanghai, December 5 (XINHUA)—Huang Ju, mayor of Shanghai, China's largest business center, met here this evening with visiting Pakistani President Farooq Ahmad Khan Leghari.

During the meeting, Leghari said that Pakistan hopes to further strengthen its co-operation with Shanghai in various fields, such as economy, trade and culture.

Leghari and his party arrived here at noon today from Beijing, accompanied by Minister of Agriculture Liu Jiang, chairman of the Chinese Government Reception Committee.

This afternoon, the Pakistani guests toured the Waigaoqiao Bonded Zone in the Pudong New Area of the city.

Urges Interaction Between Intellectuals

*BK0612042294 Islamabad Radio Pakistan Network in
English 0300 GMT 6 Dec 94*

[FBIS Transcribed Text] The president of Shanghai Institute of International Studies, Professor (Chen Pi Yao), called on President Farooq Ahmad Khan Leghari in Shanghai yesterday. Talking to him, the president said that China and Pakistan have long standing relations which are model for other countries. He said it was important that scholars and intellectuals of the two countries had the understanding of the special relationship their two countries have. He stressed the need for more frequent exchange of views among the intellectuals of the two countries. Professor (Chen Pi Yao) said China and Pakistan have most friendly relations and the two countries should have more cooperation in the academic fields also. The chairman, Pakistan Institute of Strategic Studies, Agha Murtaza Foya, who was present on the occasion invited Professor (Chen) and other Chinese scholars to participate in the Peace in Asia Conference to be held in Pakistan next year. The invitation was thankfully accepted.

Latin America & Caribbean

Zhang Zhen Says PRC Not To Seek Hegemony

*OW0612124094 Beijing XINHUA in English 1226
GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—China does not seek hegemony now, nor will it do

so after becoming stronger and more powerful in the future, a high-ranking military official said here today.

"Our military establishment is entirely for the purpose of defense," Zhang Zhen, vice-chairman of the country's Central Military Commission, told Uruguayan Minister of Defense Daniel Hugo Martins in a meeting at the Great Hall of the People.

To develop its economy, China needs a long-term peaceful external environment. "We are willing to develop friendship and co-operation with all other countries in the world," he noted.

He added that it will entail the hard work of generations to bring the Chinese economy up to the level of those of the medium-developed nations.

During the meeting he also refuted the so-called "China threat", described it as "totally groundless".

While acknowledging the existence of relatively large armed forces, Zhang said the Chinese military, compared with Western forces, is still quite backward in terms of mobility, and it has to cope with patrolling long coastlines and boundaries to defend the sovereignty of the nation.

In the meantime, the Chinese armed forces also shoulder the burden of participating in domestic economic construction and rushing to deal with emergencies and natural disasters.

"We have no intention of seeking hegemony abroad now, nor in the future when we become stronger and more prosperous," Zhang reiterated the stance of the Chinese Government.

Extending a welcome to Martins, Zhang said China and Uruguay have no conflict of interest, and noted that there have been frequent high-level exchanges since the two established diplomatic ties some six years ago.

He expressed the hope that the friendship and co-operation between the two countries and two armed forces will bear new fruit.

Zhang also voiced appreciation for the "One China" position of the Uruguayan Government.

Martins spoke highly of China's economic growth and its foreign policy, saying that it is the desire of the Uruguayan Government to constantly expand the friendly co-operation between the two countries and armed forces.

The Uruguayan minister is here on a week-long visit at the invitation of his Chinese counterpart Chi Haotian. Apart from Beijing, he has toured Shanghai and Hangzhou in east China.

This evening, Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army, met and hosted a banquet for Martins and his party, who are scheduled to leave China tomorrow.

Political & Social

Deng Xiaoping Goes To Suzhou for 'Convalescence'

HK0612040094 Hong Kong CHENG MING in Chinese
No 206, 1 Dec 94 pp 6-8

["Notes on the Northern Journey" by staff reporter Lo Ping (5012 0393): "Deng Xiaoping Again Visits the South for Convalescence"]

[FBIS Translated Text] Deng Xiaoping Goes South to Suzhou for Convalescence

Once again he has been "brought back to life." At a time when some overseas news media were circulating the word that Deng Xiaoping's heart had stopped beating, Deng Xiaoping was on board a south-bound special train from Beijing, being escorted by the 1st Company directly under the command of the Second Regiment of the Zhongnanhai Guards Division to begin his winter southern tour.

Deng Xiaoping arrived in Suzhou on 29 October, together with Wan Li, Hong Xuezhi, Qin Jiwei, Yu Qiuli, and Wang Ruilin—who were accompanying him. The purpose of his trip was to go to a sanatorium directly attached to the Central Military Commission in the East Dongting Shan in Tai Hu for rest and convalescence, rather than inspect the south and counterattack the conservatives by so doing.

With hills behind and a lake in front, the extremely beautiful and scenic sanatorium is composed of 12 villas with an area of nearly 90,000 square meters; it is a military forbidden zone. It is a place for senior central leaders to rest. In the sanatorium there are also two three-story buildings for cadres at the general level to rest.

Reports say that Deng Xiaoping stayed at Villa No. 9, which was close to Villa No. 10, which housed the central team of medical experts. The guards division directly under the command of the Nanjing Military Region moved a company-equivalent unit from the Shanghai Garrison Command to Suzhou's Xi Hu to do perimeter security work. Jiang Zemin ordered the Central Security [bao wei 0202 5898] Bureau; Gu Hui, commander of the Nanjing Military Region; and the Shanghai municipal party committee's Huang Qu to ensure Deng Xiaoping's absolute safety and to be responsible for his health. Moreover, he also asked them to ensure quiet in nearby surroundings.

Deng Meets Party, Government, and Army Leaders of Jiangsu Province and Shanghai Municipality in Tai Hu

Deng Xiaoping left Beijing on 20 October, with Jiang Zemin, Liu Huaqing, Hu Jintao, and Bo Yibo seeing him off at the station. On 3 November, the "Bulletin" (nonperiodic) of the Secretariat of the Central Committee carried a report: Before he boarded the special train, grasping Jiang Zemin's hands, Comrade Deng Xiaoping said: You all should not have seen me off. You have a lot of work to

do. Your burdens are heavy.... You must have greater boldness to do a solid job in party building and to carry out the work better. It is of crucial importance, and will have a bearing on the overall situation. (At this point, Comrade Xiaoping clenched his right fist): If this fist is no longer hard, great trouble will follow.

On 8 November, the information bulletin of the General Office of the CPC Central Committee frontpaged a report to the effect that, accompanied by Wan Li, Deng Xiaoping had met persons in charge of Jiangsu Province and Shanghai Municipality, and of the Nanjing Military Region and the East China Sea Fleet. According to the report, in early November, Ding Guangen, member of the Central Secretariat; Qin Jiwei; Yang Dezhong; and others were present at the meeting. Comrade Xiaoping listened to the work reports submitted by the Shanghai Municipal and Jiangsu Provincial leaders, and to the reports submitted by comrades in charge of the Nanjing Military Region and the East China Sea Fleet on their recent party building and military exercises. At the 180-minute meeting, Comrade Xiaoping nodded his head repeatedly and said: It is fine. We must have a new starting point, and must look at our problems more frequently. We must not solve problems only after they have piled up. Comrade Xiaoping went on to say: In work, we must stress unity, and in organization, we must stress strictness.

Deng Reveals a That Dispute Arose Over Reform in the Fall and Winter of 1991

On 6 November, Huang Qu—member of the Political Bureau, secretary of the Shanghai Municipal CPC Committee, and mayor—conveyed Deng Xiaoping's talk at the committee meeting he held. Huang Qu said: Comrade Xiaoping is very much concerned about the construction and reform of Shanghai and Jiangsu Province, and has set a high value on Shanghai's work. Comrade Xiaoping emphatically stressed: Leading bodies should unite closely, and leaders at all levels should submit to the overall situation, their superiors, and the central authorities. Submission to the overall situation and the central authorities is unconditional. The practice of acting first and reporting afterward is impermissible. All departments must be of one mind, and must do their work on their own initiative. They should not pursue selfish departmentalism, as such things will interfere with their work. If it does not build itself soundly, such a leading body, party committee or government will lose its mass base, and will find it difficult to carry out its work. Such a leading cadre will have no authority, and the people will show no respect for him. Party organizations and government departments that have failed to build themselves soundly and are riddled with many problems, need to be rectified and reorganized promptly and decisively.

Huang Qu went on to say: Comrade Xiaoping pointed out that the problems with the political disturbance in the spring and summer of 1989, and the dispute over reform in the fall and winter of 1991 occurred within the party.... It was not a matter of just one or two, but of a number of

people who doubted reform. It was not only veteran comrades who wavered, but some leading comrades as well. They wanted to revise the party's central work. The problem was that they still failed to make a turnaround in their thinking, and that the old or "leftist" influences were still enormous. Fortunately, the problem was solved and unity was achieved quite rapidly. Otherwise, reform would have suffered great setbacks.

The so-called "dispute over reform in the fall and winter of 1991" refers to the ideological and political war waged by a number of ideologically ossified leading cadres within the CPC against the reform and opening up to the outside world, and against the Deng Xiaoping line, before Deng Xiaoping's southern tour. Making use of his inspection tour of the south, Deng Xiaoping delivered a series of talks that shocked the CPC's political arena, thus winning considerable victories.

Bo Yibo Is Simply Being Frank When He Says Deng's Immunity Is Declining

After some politicians in Beijing were informed of Deng's going to the south for convalescence, they made telephone calls, one after another, to inquire about Deng's health. In early November, when meeting veteran cadres in Beijing, Bo Yibo said: Comrade Xiaoping is still in quite good health. When the weather changes, there will be numbness in his hands and feet, as he often suffers from rheumatoid arthritis [feng shi xing quan jie yan 7364 3440 1840 7070 4634 3508]. There is no effective cure for his rheumatoid arthritis, and the disease is simply being treated with a combination of traditional Chinese and Western medicines. What his doctors are most concerned about is that Deng Xiaoping's immunity has begun to decline since the spring of this year. The central medical team will do its best and will fulfill its duty to keep his health condition unchanged. A decline in immunity as one grows old is a common occurrence. When resting at Tai Hu, Deng strolled around the lake in the morning and evening. He was quite energetic.

Bo Yibo went on to say: The central authorities have decided to make concerted efforts to firmly grasp the current central work, tasks, and outstanding problems; to carry them out; and to solve them in a satisfactory way so as to let Comrade Xiaoping feel at ease and not strain himself for us.

On the issue of Deng Xiaoping's health, the higher echelons of the CPC leadership also have taken a "two-handed approach"—while paying attention to medical treatment to ensure that Deng is taken good care of, they also are making preparations to handle matters calling for immediate attention after Deng's death so as to ensure that once "a change happens," there will be a "smooth transition" in the political situation, and so that shock, and even chaos, can be avoided.

The latter job has long been carried out quietly. Recently, preparatory work for the post-Deng situation has been stepped up among leading cadres throughout the nation.

CPC Elder Statesmen Claim That a Leadership Collective of the Third Generation Has Been Established

Since the first ten days of November, entrusted by the Political Bureau of the CPC Central Committee, many party elders—Wan Li, Yang Shangkun, Bo Yibo, Song Ping, Yao Yilin, Song Renqiong, Li Desheng, Xiao Ke, Qin Jiwei, and Hong Xuezhong—have held separate meetings with party, government, and Army leading cadres in Beijing, Shanghai, Fuzhou, Xian, Shenyang, Chengdu, and Wuhan, to orally convey the comprehensive establishment of the leadership core collective of the third generation, and the tasks and challenges facing it in the days to come.

Wan Li arranged to hold a meeting in Shanghai which was attended by the party and government leaders of Shanghai municipality and of Anhui, Zhejiang, Jiangxi, and Jiangsu provinces.

Yang Shangkun arranged to hold a meeting in Fuzhou which was attended by the party and government leaders of Fujian, Guangdong, Hunan, Hainan, and Hubei Provinces, and of the Guangxi Autonomous Region.

Bo Yibo arranged to hold a meeting in Chengdu which was attended by the party and government leaders of Sichuan, Guizhou, and Yunnan Provinces, and of the Tibet Autonomous Region.

Song Ping arranged to hold a meeting in Xian which was attended by the party and government leaders of Shaanxi, Gansu, and Qinghai provinces, and of the Xinjiang and Ningxia Autonomous Regions.

Yao Yilin arranged to hold a meeting in Beijing which was attended by the party and government leaders of Beijing and Tianjin municipalities; of Hebei, Henan, Shandong, and Shanxi provinces; and of the Inner Mongolia Autonomous Region.

Song Renqiong arranged to hold a meeting in Shenyang which was attended by the party and government leaders of Jilin, Liaoning, and Heilongjiang provinces.

Li Desheng and Qin Jiwei held a meeting in Beijing which was attended by the persons in charge of the various arms of the services, the military establishments, and the military colleges and schools.

Hong Xuezhong held a meeting in Shanghai which was attended by the persons in charge of the Nanjing, Jinan, Beijing, and Shenyang Military Regions; the East China Sea and North China Sea Fleets; and the Armed Police Forces.

Xiao Ke held a meeting in Wuhan which was attended by the persons in charge of the Guangzhou, Chengdu, and Lanzhou Regions, and the South China Sea Fleet.

CPC Elder Statesmen Play a Stabilizing Role in the Post-Deng Political Situation

The CPC Central Committee termed the current separate meetings as campaign-inspiring briefing meetings, which

"have a far-reaching strategic significance and role, and underscore that the party, government, and Army leaders of the old and young generations in China have a common revolutionary goal and firm conviction."

Politicians in Beijing said that these meetings were aimed at ensuring that once Deng Xiaoping passed away, the party, government, and Army would be able to rally around the party Central Committee, with Jiang Zemin as the nucleus, as well as the central military commission, and to overcome and tide over all difficulties, sudden incidents, and political disturbances. Moreover, employing these party, government, and Army elders will play a mainstay role in stabilizing the political situation.

Eight Main Subjects of the Briefings Given by Party Elder Statesmen

The separate meetings briefed participants on the talk Deng Xiaoping had with members of the Political Bureau and the Central Military Commission on 1 October. It had eight main subjects.

1. Leaders must realize that safeguarding the unity within the party, as well as the unity among the party, government, and Army in the 100 years following Deng Xiaoping is of crucial significance

2. Leaders must rally closely around the party Central Committee with Jiang Zemin as the nucleus, and not go off the track at any time.

3. Leaders must unswervingly and absolutely execute the party Central Committee's orders and directives no matter what situations, changes, and drastic changes happen.

4. It is necessary to build the contingent of party members soundly, and to rectify party organization. This is the central task at present and for a period of time to come, and it has a bearing on the safety of the party's and state's future, and on the authority of the party's leadership.

5. The relationship among the party, the government, and the Army, and between local and military authorities should be handled well. Supporting the Army and cherishing the people is the fundamental condition for defeating the subversion and sabotage carried out by hostile forces at home and abroad, and for triumphing over the intervention and challenges launched by hegemonism.

6. A good job should be done in bringing the enthusiasm of the organizations of the Chinese Youth League and the trade unions, and of the various democratic parties and mass organizations into full play, and serious efforts should be made to discover problems in this regard. Otherwise, we will be in a passive position when anything important crops up.

7. It is necessary to persist in putting national stability above all else.

8. It is imperative to overcome the small mountain-stronghold mentality, localism, small sectarianism, and liberalism.

A Unified Keynote Is Set for Deng's Health Condition

At the current briefing meeting of high-level party, government, and Army leaders, a unified keynote was set for the first time for Deng Xiaoping's health condition. At the advanced age of 90, Comrade Xiaoping can be considered in good, and moreover quite good health in terms of the length of his military service. Comrade Xiaoping still maintains his daily life habits. Central leading comrades frequently visit Comrade Xiaoping and solicit his opinions on some important issues. According to the Central Health Care Bureau, at his advanced age, his resistance to and immunity from disease have become poor and declined. There is no special cure in this regard. He cannot withstand [jing bu qi 4842 0008 6386] any disease. The central authorities are fully prepared in this aspect. (This news was quoted from the 12 November Bulletin of the General Office of the CPC Central Committee.)

After the Fourth Plenary Session—and in accordance with the instructions of the Political Bureau—all provinces, municipalities, and autonomous regions set up a regular joint meeting system, under which a leading group takes charge of day-to-day work, and there is a leading body composed of five to seven persons—including provincial (municipal or autonomous regional) party secretary, governor (mayor or autonomous regional chairman), chairman of the provincial (municipal or autonomous regional) people's congress, and commander and political commissar of the provincial military district—to handle sudden incidents and drastic changes.

Deng's Health Zigzags Down to an Unprecedented Low

Judging from the separate briefings given by CPC elder statesmen, first, Deng Xiaoping's health has zigzagged down to an unprecedented low, and therefore a pickup in health is probably impossible. Second, the CPC policy-makers are stepping up preparations for matters calling for immediate attention after Deng's death. Third, although the "leadership core collective" of the new generation of the CPC has been established, its foundation is weak and Jiang Zemin's authority can hardly be established. The Political Bureau had to entrust four party elders to appease the princes [zhu hou 6175 0186], and to tell them in person to obey the orders issued by the core leadership after Deng's death. This is strong collateral evidence for the argument. In a word, while Deng is still around, the CPC and its regime already have been shrouded in a layer of shadow, under which there is a sense of crisis and of doomsday prevailing at the core of leadership.

Zou Jiahua Speaks on Social Development

HK0312030094 Beijing RENMIN RIBAO in Chinese
15 Nov 94 p 3

[Speech by Comrade Zou Jiahua (6760 1367 5478) at the National Social Development Work Conference: "Further Understanding, Strengthen Leadership, and Vigorously Promote Social Development and Progress"—date, place not given]

[FBIS Translated Text] I. Important Achievements and Basic Experience in Social Development in China

Since the founding of New China, the Chinese people, under the leadership of the CPC, have made concerted efforts, gone through all kinds of difficulties and hardships, and built a poor and backward old China into an initially thriving and prosperous socialist New China. In the 45 years since the founding of the country, and in the 15 years of reform and opening up to the outside world in particular, China has made achievements in economic development which have attracted worldwide attention and has laid a solid foundation for social development. At the same time, we have also made tremendous progress in social development. This is mainly manifested in the following aspects:

1. The size of the population has been brought under control and the quality of the people has markedly improved.

China is the country with the largest population in the world. The excessive growth of the population adversely affected the improvement of the people's living standards and the protection of the natural resources and the ecological environment. In the early 1970's, the Chinese Government began to regard family planning and a rational control over the population as a basic national policy. With the efforts made in the past 20 years and more, the natural growth rate of the population of China decreased from 25.83 per mille in 1970 to 11.45 per mille in 1993. The momentum of an excessive population growth has been basically curbed. At present, the fertility rate of the sum total of women in China is about 2.0. This is a tremendous achievement which is conducive to maintaining coordination between the development of the population and that of the economy and the society. It is also a great contribution to the entire world.

To gradually solve the problem of serious restrictions on the economic and social development of China resulting from the poor quality of the population, the party and government have paid great attention to developing educational undertakings since the founding of the country, particularly since the beginning of reform and opening up to the outside world. In 1993, the number of students in various kinds of schools at different levels in China had already reached 262 million. The enrollment ratio of school-age children reached 97.7 percent and illiteracy rate of young and middle-aged people dropped to about 7 percent. Compared with 1949, the number of students in ordinary middle schools had increased by 43.8 times and that of students in ordinary institutions of higher learning had increased by 21.7 times. At present, nine-year compulsory education is being carried out across the country, step by step and in a planned way. On the basis of improving quality, tertiary education is developing steadily.

Vigorously developing public health undertakings and constantly raising the level of the people's health are also important aspects in improving the quality of the people. Since the founding of New China, the physical quality of

the people of China has markedly improved following the rapid development of health undertakings and the progress of preventive medical technology. The mortality rate of the population has been maintained at about 6 per mille since the end of the 1970's. The average life expectancy has increased from 35 on the eve of liberation to the current 70. At present, the per capita calories and protein daily intake across the whole country have reached, or are close to, the average world level.

2. The phenomenon of poverty has been reduced by a big margin, social employment has been constantly expanded, and a sound, multilevel social security system is being established.

Constantly developing the productive forces and gradually breaking away from poverty, making the country rich, and constantly raising the level of the material and cultural lives of the people are the fundamental tasks of socialism. Since the founding of New China, the party and government have been unremitting in making efforts to change the poor and backward face of our country and have made tremendous achievements in eliminating poverty, which is acknowledged by the whole world. With only 7 percent of the total area of farmland of the world, China has solved the problems of food and clothing for a population accounting for 22 percent of the world's total. Since the beginning of reform and opening up to the outside world, the state has adopted a series of measures to eradicate poverty and has reduced the number of people who have not yet solved the problems of food and clothing from 250 million in 1978 to 80 million in 1993.

Employment is the basic right of laborers and is also an important part of the work of social development in China. In the early stages of New China, the party and government adopted effective measures and quickly solved many of the unemployment problems left behind by the old China. After 1978, China again implemented an employment policy which combined the efforts of the state, collectives, and individuals and successfully solved the unemployment problem for much of the newly emerged urban labor force and large numbers of educated youth returned from the countryside to urban areas. The urban unemployment rate in China was 13.2 percent in 1952. In 1978, it had dropped to 5.3 percent. In 1993, it had further dropped to 2.6 percent. Besides, we have also transferred 125 million surplus rural laborers to nonagricultural industries through developing diversified economic sectors and, particularly, through vigorously developing township and town enterprises. This has not only led to a better utilization of the rich rural labor resources in our country but has also promoted the development of the rural economy and raised the level of the living standards of the broad masses of peasants.

The social security system in China was established in the early stages of the country. Because of historical reasons at that time, the security system was not sound and the scope it covered was quite narrow. Beginning from the middle of the 1980's, and with the progress of reform and construction, we have carried out a systemic reform of the original

social security system and have gradually expanded its coverage scope. At present, over 500,000 enterprises of various kinds, over 85 million workers, and over 17 million retirees have joined the overall social plan for retirement funds. Over 80 percent of the enterprises have carried out, to varying degrees, reform of the medical insurance system. An unemployment protection and service system which has the functions of social security and of absorbing workers waiting for a job has initially taken shape. Some rural areas have also implemented a rural insurance system to provide for the aged on a trial basis. All this is playing a very important role in ridding the masses of their worries and in ensuring social stability.

3. The people's living standards have been improved by a big margin and the ecological environment has been protected.

Since the founding of New China, particularly since the beginning of reform and opening up to the outside world, and with the development of the economy, the income of the people in China has constantly been increasing and their living standards have gradually improved. Comparing 1952 with 1993, the personal consumption level of the people in urban and rural areas increased by a total of 390 percent, an average increase of 3.5 percent each year, of which the annual increase from 1979 to 1993 was 7 percent. At present, the consumption structure of the residents in China has begun to change from a subsistence type to a relatively well-off type. The percentage of spending on food by urban residents in their consumption spending (Engel coefficient) has dropped to about 50 percent. In 1993, the per capita housing area of urban residents had already reached 7.5 square meters and that of rural residents was 20 square meters.

Improving the ecological environment is an important part of the work to improve the quality of the living standards. While making efforts to improve the living standard of the people, the party and government have regarded the protection of the ecological environment, which is closely related to the people's living standards, as a basic national policy. They have adopted a series of effective policies and measures to control environmental pollution and prevent ecological damage so that the trend of the deterioration of the ecological environment has been curbed and the local environment has been improved to a certain extent.

4. The legitimate rights of women, children, the old, the disabled, and other social groups are protected.

Whether or not the legitimate rights of women, children, the old, and the disabled are protected, and whether or not they enjoy the same rights as those of other citizens in politics, economy, culture, social life, and other aspects, and are duly respected and taken care of, are important marks in assessing the degree of civilization and the level of social development of a country. China has persisted in pursuing a policy of equality between men and women and of enabling women to enjoy the same rights as men in education, employment, labor remuneration, social participation, and other aspects. At present, the number of women employed in China accounts for 44 percent of the

total number of the employed in the society. In various social activities, mothers and children are given special care. At present, the mortality rate of babies in China has dropped to 35 per mille and that of cities to 14.5 per mille, ranking at the forefront among countries with a similar level of development. On the one hand, China makes great efforts to carry forward the traditional virtue of respecting the old and loving the young of the Chinese nation and duly provides for and takes care of the old. On the other hand, China is energetically developing welfare, medical, cultural, educational, and sports undertakings for the old and creating a favorable living environment for the old to make use of their time or to enjoy themselves. To protect the legitimate rights and benefits of the disabled and give them necessary social assistance, the state has promulgated and implemented the law on protection for the disabled, formulated and implemented the Five-Year Work Program for the Disabled, and various work regulations concerning undertakings for the disabled. At present, the employment rate of the disabled in China exceeds 60 percent. The state has also adopted a series of measures in medical services, rehabilitation, special education, the construction of facilities, and in other aspects to help the disabled rehabilitate and acquire cultural knowledge and to provide convenient conditions for them to participate in social activities.

5. Science, culture, and sports undertakings have developed rapidly and this has greatly improved and enriched the spiritual and cultural lives of the people of China.

Since the founding of New China, particularly since the beginning of reform and opening up to the outside world 15 years ago, science and cultural undertakings in China have developed rapidly under the guidance of the party's principle of "letting a hundred flowers bloom and letting a hundred schools of thought contend." In science, a large number of achievements at the domestic or international advanced level have been made. Cultural, press, publications, radio, television, literature, arts, and other undertakings have continuously developed and are thriving and flourishing. Spectacular achievements have also been made in physical culture. The five-star red flag has repeatedly been hoisted at various global athletic competition venues, which has greatly encouraged all the people of the country.

The main reasons why China has made such tremendous achievements in social development are: First, we have always upheld the socialist system. Second, we have paid attention to correctly handling the relationship between economic development and socialist development and while making great efforts to develop the economy, we have energetically developed various social undertakings. Third, we have adhered to the principle of integrating the leading role of the government with the participation of the masses of the people. Fourth, we have adhered to the principle of regarding popularization as the dominant factor while giving consideration to raising standards.

While attaining great achievements in social development, we have also made some mistakes. At present, there are

still many contradictions and problems. The main ones are: On the whole, the reform in the fields of social development still lags behind that of the economic structure. Over a period of time, the building of spiritual civilization was neglected. The control over the population was once relaxed. The input in social undertakings is insufficient and the construction level of the relevant infrastructure is still quite low. Various kinds of public welfare services and public welfare undertakings need further development, and so on. The reason why we have formulated the National Social Development Program is to adopt effective measures, through comprehensive planning and unified arrangements, to gradually solve these problems so that social undertakings and economic construction can promote each other and develop together, relatively well-off living standards for all people across the country in 2000 can be ensured, and favorable social conditions can be created for realizing the third-step strategic goal in the middle of the next century.

II. Have a Thorough Understanding of the Important Position and Significance of Social Development

Economic development and social development are important issues which have attracted universal attention from the international community today. More and more people have gained a profound understanding that, while developing the economy, we must put social development in an important position, otherwise the former cannot develop in a sustained manner. The social development we are talking about is an enormous system engineering project, which includes extremely rich contents; has a direct bearing on various aspects of the work, study, and lives of hundreds of millions of people; and is closely related to the immediate interests of all members of the society. Viewed from the fields of our work at present, the scope and contents of social development mainly include: Population control and family planning, science and education undertakings, social security undertakings, reduction of poverty, employment and manpower resources development and utilization, urbanization and the transfer of rural labor power, the protection of the ecological environment and resources, public health and health care, culture and arts, radio and television, the press and publications, sports and entertainment undertakings, the construction of urban and rural public facilities, social participation and community construction, the building of democracy and the legal system, public security and crime prevention, and the protection of women, children, the old, the disabled, and other social groups. The purpose of social development is to promote the constant improvement of the quality of the people's living standards, and the quality of the population, and to constantly increase the degree of social civilization. Social development can be realized by means of effective government actions, the energetic participation of the broad masses of the people, an effective management and operation mechanism, and the implementation of a series of social policies, using the construction of various social undertakings as a carrier. In China, because the level of the productive forces is relatively low, people do not have a clear understanding of the

urgency and importance of social development. It is necessary to draw the people's attention to this issue.

1. Persisting in developing the economy and the society in a coordinated manner is the objective demand of the development of human society.

Economic development and social development are interdependent and promote each other. Economic development is the prerequisite and foundation for social development and social development is the result and purpose of economic development. Only if economic development reaches and maintains a certain level will it be possible to gradually eliminate poverty and constantly improve the people's living standards and quality. Therefore, we should unwaveringly put economic development in the first place and should carry out social development closely round the center of economic development. At the same time, we should also understand that economic development cannot automatically bring about social development and cannot automatically solve various social problems. Problems such as damage to the natural environment, frequent occurrences of natural calamities, low utilization rate of resources, excessive growth of the population, emergence of urban diseases, threat of new diseases, unfair distribution of social wealth, and so on, cannot be directly solved by economic growth. Therefore, while attaching importance to economic development, we must pay great attention to promoting comprehensive social progress.

Social development not only is the important goal of the development of the human society but also plays an important role in promoting economic development. Various fields of social development are closely related to the immediate interests of the people. Through promoting social development, regulating social contradictions and the relationship of interests, increasing the degree of fairness and civilization, and maintaining social stability, we can create a favorable social environment for economic development. Rationally controlling the population, developing education, increasing the utilization rate of resources, protecting the environment, and so on, will positively promote economic development. The essence of social development in China is focused on the people, serving the people, satisfying the people's needs in various aspects and at various levels, and raising the level of the material and cultural lives of the masses of the people, is the close integration of the people's immediate and long-term interests and directly reflects the superiority of the socialist system. We should always uphold the basic viewpoint of the coordinated development of the economy and the society and consciously make proper arrangements for work in various aspects of social development on our own initiative.

2. Promoting social development is an important part of building socialism with Chinese characteristics.

Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics contains extremely rich contents and many of his brilliant expositions concerning social development are its important component parts.

Comrade Xiaoping explicitly pointed out: Poverty is not socialism and socialism should eliminate poverty. He put forward from the high plane of strategic goals: The goal of the first step is to solve the problem of food and clothing. The goal of the second step is to reach a relatively well-off level at the end of this century. The goal of the third step is to reach the level of the medium-developed countries in 50 years in the next century. Comrade Xiaoping pointed out: The principle of socialism is first to develop production and second, to achieve common prosperity. Some areas with necessary conditions can develop before others. Other areas can develop slower. Areas which have developed before others should promote the development of areas which are developing slower. Eventually, we should achieve common prosperity. Comrade Xiaoping has regarded education, science, and technology as strategic key points in the development of China. He explicitly pointed out: To develop the economy faster, we must depend on science, technology, and education. Science and technology are the primary productive force. We must firmly grasp the development of educational undertakings. We must respect knowledge and talented people. Comrade Xiaoping has attached great importance to the building of the socialist spiritual civilization and the building of democracy and the legal system, stressing that we must grasp the building of material civilization and spiritual civilization with both hands and we must grasp it firmly. Ideological, cultural, educational, and public health departments should all regard social benefits as the only standard for all their activities. He also emphasized: we must grasp reform and opening up with one hand and grasp cracking down on crimes with the other; grasp economic construction with one hand and grasp democracy and the legal system with the other. These expositions by Comrade Xiaoping have provided a powerful ideological weapon for us to understand the great significance of social development and to guide the direction of work for social development. We must seriously study them, gain a thorough understanding of them, and resolutely implement them in practical work.

3. Speeding up social development is the urgent need of the new stage of modernization in China.

In the 15 years since the Third Plenary Session of the 11th CPC Central Committee, China has made tremendous achievements in modernization which have attracted worldwide attention. At present, modernization has entered a new stage of sustained, rapid, and healthy development. The 15 years from the Ninth Five-Year Plan in 1996 to 2010 will be a crucial period for building socialist modernization with Chinese characteristics. During this period, we must attain the strategic goal of the second step, enable the living standards of the people of the whole country to reach a relatively well-off standard, and forge ahead toward the strategic goal of the third step. The fulfillment of this mission demands a sustained, rapid, and healthy development of the national economy, a coordinated development of various social undertakings, the gradual realization of common prosperity of all the people, and a new development in the building of the

socialist spiritual civilization and the building of democracy and the legal system. Therefore, social development is an important component part of the development goal for the coming 15 years.

In the course of building socialism with Chinese characteristics, we must unswervingly regard economic construction as the center and, at the same time, we must put social development and progress in an important strategic position for consideration. We should really integrate speed with benefits, efficiency with fairness, and economic development with social development and manifest the fruits of economic growth in social progress. We should also understand that, with the establishment of the socialist market economy structure and the sustained and rapid growth of the economy in China, some problems of social development will become more and more conspicuous. For example, the large base and rapid growth of the population and the increasing pressure on employment, the intensifying contradictions between economic development on the one hand and the population, resources, and environment on the other, waste of resources, environment pollution, ecological imbalance, urban diseases, and so on. Therefore, as the economy develops, we should pay greater attention to social development and adopt positive measures to develop various social undertakings. In the long course of economic construction, we have accumulated rich experience and formed a relatively complete economic operation system. Various trades and professions have their respective development plans. Likewise, it is also necessary to sum up experience and form a relatively complete operation system of social development. Various social undertakings should also have their respective development policies and plans. In this sense, the formulation of the "National Program for Social Development" is very important creative work in the cause of social development in China.

4. Attaching importance to social development is a world current.

Following the end of the cold war, the global political and economic pattern is undergoing tremendous changes and peace and development have become the focus of concern for the various countries of the world today. In the new international situation, people's understanding of the importance of strengthening social development has become increasingly clearer. In particular, problems of population, education, environment, a rising unemployment rate, a widening gap between the poor and rich, and intensifying social contradictions, and sharp conflicts triggered off by these social problems, including regional wars, have caused great concern for the international community. To draw the attention of various countries to these problems and to promote the solutions to these problems, the United Nations and other international organizations have held, and are preparing to hold, a series of important international conferences and various global social activities, for example, the 1992 World Environment and Development Conference, the 1994 World Population and Development Conference, and the World Summit on

Social Development and the World Women's Conference to be held next year. They have also conducted the "decade of the disabled," the "decade to reduce damage from natural disasters," and other activities. They have formulated global strategies and action programs for promoting comprehensive social development. All this shows that social development has become an increasingly important task in the strategy of global development and has also expressed the common desire of the entire human society to attach importance to the coordination between population, economy, society, environment, and resources and to take the road of sustained development. The Chinese Government has energetically participated in various international activities of social development and has made solemn commitments. Such a major international background has created a favorable opportunity for social development in China and has also posed a severe challenge to us. We must earnestly do our work well so that social development in China will reach a higher level. Only in this way can we keep abreast with the international current and make due contributions to the common interests of human beings and to global social prosperity, progress, and civilization.

Our formulation of the program for social development is a part of a series of preparatory activities carried out worldwide to usher in the World Summit on Social Development to be held by the United Nations. As a developing country with a large population, China plays a decisive role in affairs of social development in the world. The national program for social development formulated by China is the first social development plan at the national level in the world. This shows that the Chinese Government has attached great importance to the development and construction of social undertakings and will have a positive impact on the world.

III. The Guiding Principle and Key Work Points of Social Development in China in the Coming 15 Years

To do a good job in social development in China in the coming 15 years, we must persist in taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guiding ideology and pay attention to grasping the following principles:

1. Persist in proceeding from the national conditions of China and take the road of social development with Chinese characteristics. Problems in the field of social development worldwide have a certain universality. However, because of differences in the histories, cultures, traditions, social systems, and the stages of economic development between the various countries, the emphases, policies, and measures to solve problems in social development in different countries cannot be the same. In particular, the tasks and key points of the developed countries are quite different from those of the developing countries. China is a developing socialist country which has a large population, limited per capita resources, and a relatively low level of economy, science, and technology. Regional development in China is uneven. We must proceed from these basic

national conditions in social development in China and take the road of social development with Chinese characteristics.

2. Persist in taking the comprehensive development of men as the center. We must take the realization of the comprehensive development of men as the starting point and standing point in economic and social development. In formulating social policies, we must satisfy people's needs in various aspects and at various levels, protect the legitimate rights and interests of the people, raise the level of their material and cultural life and the level of their moral cultivation and physical health, and promote the comprehensive development and improvement of the quality of the people.

3. Persist in developing the economy and the society in a coordinated manner. While formulating economic development strategy and development policies, we must accordingly formulate various social policies and maintain a coordinated development of various social undertakings so that the population, resources, and environment are in keeping with economic development and promote each other. In developing social undertakings, we must persist in putting social benefits in the most important position and guard against one-sidedly seeking economic results at the expense of social benefits. In the input of funds, we must not only make proper arrangements for economic construction but also take overall planning into consideration and make proper arrangements for the development of social undertakings.

4. Persist in grasping the building of material civilization and spiritual civilization with both hands and grasping them firmly. The building of the socialist spiritual civilization is manifested in various aspects of the economic, political, cultural, and other kinds of social life and various fields of social development undertake heavy duties. We must persist in integrating the fine traditional culture of the Chinese nation with modern civilization and build a modern and pluralistic culture and art system with national culture as its core. We must strengthen the ideological and moral building of the whole society, strengthen the spirit of national self-respect, self-confidence, and self-improvement, and foster the ideology of patriotism, collectivism, and serving the people.

5. Persist in striving for coordinated regional development. China is a multinational country with a vast territory. For reasons of natural environment, economic conditions, and history, the levels of economic and social development in the eastern, central, and western parts are greatly different. In developing social undertakings, we must persist in regarding regional coverage as the dominant factor and the state should give guidance through plans and policies and promote coordinated development between regions. Economically developed areas should give support to the development of the former revolutionary base areas, areas inhabited by minority nationalities, border areas, and poor areas. In putting in funds for social development undertakings, the state should also give appropriate priority to these areas.

5. Upholding the extensive participation of various social circles and the masses of the people. We should encourage and advocate the idea of the society running social undertakings according to the unified planning of competent government departments and with the concrete guidance of these departments. We should pay special attention to the role of nongovernment organizations and social communities, enthusiastically give support to their activities, and offer them assistance and guidance by means of policies.

The work of social development includes a multitude of things and we must grasp the following key points:

First, we must continue to carry out family planning, control the quantity of the population, energetically develop educational undertakings, and comprehensively improve the quality of the population. This is the key to promoting the economic and social development of China and realizing the strategic goal of modernization. Over a long time, the excessively large population and its excessively rapid growth have seriously restricted economic and social development and improvement of the people's living standards in China. Many difficulties we have in economic and social development are directly related to the population. We must continue to implement the national policy of family planning. The key point is to do a good job in family planning in the vast rural areas, continue to implement the target management responsibility system of the number one men of party and government organizations at various levels, increase the input of funds in family planning work, and use scientific and technological means to raise the level of sound child rearing among the people.

While exercising strict control over population growth, we must pay great attention to improving the overall quality of the people, including ideological and moral quality, science and culture quality, and physical quality. We must put education in a strategic position; give priority to its development; seriously implement the "Program for Education Reform and Development in China"; take nine-year compulsory education as the key point; earnestly strengthen basic education; energetically develop vocational, technical, and adult education; steadily develop tertiary education on the basis of improving quality; and promote the coordinated development of education on the one hand and economic and social development on the other. We must strive to increase the input into education and increase the benefits in using education funds; further strengthen the building of the ranks of teachers and gradually improve the working and living conditions of teachers; and change education ideology, reform teaching contents and teaching methods, and closely integrate education development with the needs of economic and social development.

To comprehensively improve the quality of the people, we must also pay attention to the ideological and moral education of all the people. We must strengthen education on patriotism, collectivism, and socialism; strengthen education on social ethics and professional ethics; advocate

the spirit of diligence, frugality, and undertaking hard work; make great efforts to publicize the lofty morality of the advanced people on various fronts; energetically carry forward the tradition of finding it a pleasure to help others, respecting the old, taking care of the young, and other fine traditions; and oppose money worshipping, ultra-individualism, and decadent ways of living. We must comprehensively raise the ideological and moral level of the entire society and form good social practices.

Second, we must strengthen environmental protection so that resources and the environment can be in keeping with economic and social development. Environmental protection demonstrates a harmonious relationship between men and nature. China has entered a historical stage of rapid economic development. Because of a poor economic foundation, a low technological level, a large consumption of resources, serious environmental pollution, and a weak ecological foundation, various kinds of contradictions between social production activities and the protection of natural resources and the environment are interwoven and are intensifying. The basic characteristics of the society and economy of China and the situation of restrictions resulting from resources and the environment show that, if we do not include the rational utilization of resources and the protection of the ecological environment in the overall consideration of economic development, it will be difficult to have sustained economic growth and it will also be difficult to create basic conditions for our future generations to make sustained development.

On the major issue of environmental protection, an issue which has attracted worldwide attention, Premier Li Peng, on behalf of the Chinese Government, made clear our stance, viewpoints, and measures to the world at a UN environment and development conference. China has taken the lead in formulating the "Agenda For the 21st Century in China" and put forward the strategy for the coordination between the economy and the society on the one hand and resources and environment on the other and for the sustained development of the economy and society. We must continue to uphold the basic national policy of environmental protection. Governments at various levels should strengthen their functions in environmental management. They should uphold the principle of simultaneous planning, implementation, and development of economic construction, urban and rural construction, and environmental construction. They should strengthen legislation on environmental protection, strictly implement industrial policies, economic policies, and technological policies which are conducive to environmental protection and the reduction of natural disasters. They should earnestly ensure the input of funds into environmental protection and territorial management. They should continue to exercise stringent control over the development of industries which cause serious pollution.

Third, we must establish and perfect the social security system, expand employment, and promote reform, development, and social stability. The establishment and perfection of a social security system with Chinese characteristics

play an extremely important role in ensuring the living standards of the people and maintaining social stability. According to the demands of the establishment of the socialist market economy structure, we should complete the establishment of a social security system which is in keeping with the level of economic development in China, which has various standards, and in which social insurance, social relief, special care for disabled servicemen and family members of revolutionary martyrs and servicemen, and social mutual savings and individual savings form a complete set and coordinate with one another. Policies for social security should be systemized. The coverage of social insurance should be extended to all laborers whose major income is wages and insurance spending should be shared by the state, collectives, and workers. China is a developing country and in setting the level of social insurance, we must proceed from the national conditions and start from a low standard. We should not set a welfare level higher than our country's ability to bear. Besides, we should energetically develop various kinds of commercial insurance to supplement social insurance. We should fully arouse the enthusiasm of individuals and encourage insurance in the nature of personal bank savings. We should strengthen the management of social insurance funds and, with the prerequisite of ensuring safety, strive to preserve or add to the value of such funds.

Whether or not a social insurance system with Chinese characteristics can be established is determined, to a great extent, by the development of various insurance undertakings in the rural areas. In China, over 70 percent of the population reside in rural areas. The issues of providing for the aged and medical services have a direct bearing on the immediate interests of the broad masses of peasants. Family protection should be the dominant factor in providing for the aged among the peasants and such protection should be assisted by the community. In areas where conditions are ripe, insurance providing for the aged using personal bank savings can also be instituted in accordance with the principle of voluntary participation by the peasants. Besides, we should energetically develop and perfect the rural cooperative medical services system.

According to arrangements made by the CPC Central Committee and the State Council, enterprise reform will be the focus of our work next year. We should establish and perfect the social security system centering around enterprise reform. In particular, we should speed up the building of the unemployment insurance system in order to ensure the basic living standards of surplus personnel and unemployed workers who have left their enterprises. Besides, we should encourage and mobilize strength from various social sectors to run various forms of community service undertakings and gradually lighten the heavy burden of enterprises in running the society.

The most fundamental thing in ensuring the living standards of laborers is to realize full employment. With the development of the market economy in China, we should speed up the development of the labor power market, energetically open up various kinds of channels, and

relieve the pressure of providing jobs. We should guide and organize agricultural labor power to move toward agriculture at a deeper level and in a wider scope. Besides, we should energetically develop labor-intensive nonagricultural production and the tertiary industry and should correctly guide the transfer of surplus rural labor power to nonagricultural production. We should energetically promote the reform of the labor system, develop various kinds of intermediary market organizations, and guide the rational flow of labor power. We should make great efforts to develop vocational education and training and increase the adaptability of new labor power in looking for jobs and of workers to be transferred to other posts. Governments at various levels should put aside some funds for continuing the practice of relieving people in disaster areas by giving them employment instead of outright grants, organize surplus labor power in rural and urban areas to participate in various kinds of pioneering work, and try in a thousand and one ways to keep the unemployment rate within the bearing ability of the society.

Fourth, we must eliminate poverty and promote coordination in economic and social development between one area and another, between urban and rural areas, and between one nationality and another. The elimination of poverty is a task of utmost importance in attaining the goal of socialist common prosperity. At present, there are still about 80 million poor people in the rural areas of China. To accomplish the historical mission of eliminating poverty, the central authorities have formulated the "Plan for Tackling Difficult Problems in Helping 80 Million Poor People in Seven Years" and have adopted effective measures to strive to solve the problem of food and clothing for the poor population in the rural areas at present in about seven years by the end of this century. The issues of agriculture, the peasants, and the rural areas have a special important position in China. The difficult points in social development in China are also in the rural areas. We must have a clear understanding of this.

Promoting coordination in the social development between one area and another, between the urban and rural areas, and between one nationality and another is an important part in the work of social development in China. While continuously encouraging coastal areas to give play to their strong points to speed up development, we should energetically help areas in the hinterland to improve the investment environment and increase their ability to develop. We must uphold the regional autonomous system, continue to implement the policy of giving assistance to areas inhabited by minority nationalities, and promote the economic prosperity and social progress of areas inhabited by minority nationalities. We should make rational plans for, and give guidance to, the construction of small cities and towns, actively and prudently reform the residence registration management system, energetically develop the tertiary industry in rural areas, and promote the coordinated development of the urban and rural areas. We should pay attention to protecting the legitimate rights and interests of women, children, the aged, the disabled, and other social groups and should provide them with

necessary assistance in education, training, employment, rehabilitation, and medical services so that they can participate in various social activities on an equal basis with other people.

Fifth, we must strengthen the building of socialist democracy and the legal system and maintain social and political stability. We must further improve the people's congress system and the system of multiparty cooperation and political consultation under the leadership of the CPC, fully realize and earnestly protect the rights of citizens given by the Constitution and law, and constantly expand the people's participation in state and social affairs. We should thoroughly carry out publicity and education on the legal system and strengthen people's sense of law and the concept of the legal system. We must do a good job in the comprehensive management of social order, crack down according to law on various kinds of criminal activities, and maintain good social order.

IV. Strengthen Leadership, Deepen Reform, and Push the Work of Social Development to a New Stage

Strengthening party and government leadership over the work of social development and carrying out various kinds of reforms at a deeper level in the fields of social development are the key to promoting social development. Since the beginning of reform and opening up, party committees and governments at various levels have attached increasingly great importance to social development. Nevertheless, the phenomena of not paying sufficient attention to social development, emphasizing economic development while belittling social development, and emphasizing the building of material civilization and belittling the building of spiritual civilization still exist in varying degrees. From the high plane of meeting the needs of the new domestic and international situation and the overall situation of socialist modernization, we must fully understand the great significance of strengthening work in social development, strengthen leadership, and make greater efforts to firmly and properly grasp the work of social development.

1. We must put the work of social development as important items on the agenda of governments at various levels.

Quite a large portion of social undertakings are in the nature of being social public good and do not have the ability to make profits. They cannot mainly depend on market mechanism but should depend on the government in organization, management, and coordination, and for support. Besides, as reforms are being carried out at a deeper level and as government functions are changing, governments at various levels should, and can, make great efforts to lead social development. We must put the work of social development as important items on the agenda of the government, establish a sound target responsibility system for the work of social development, regard it as an important part of the appraisal of the accomplishments of leading cadres at various levels, and put it under the supervision of various circles in the society. We should frequently study the new situation and new problems in

the work of social development, seriously sum up experience in practice, and adopt corresponding measures in good time. Besides, we should pay attention to giving play to the role of market mechanism and promote the development of social undertakings in various aspects.

2. Carry out various reforms in the fields of social development at a deeper level.

Social undertakings in China have always been monopolized by the state. With the development of social undertakings, the increase in the population, and the diversification of the needs of the people, the practice of monopolization has become irrational and has gone beyond the financial capability of the state. This kind of management structure has also restricted the enthusiasm of various localities and the broad masses of the people and the development of social undertakings. Therefore, we must carry out reform of such a structure. The key points of the reform are: In accordance with the principle of a rational division of power in handling affairs between the central and local governments, establish a social undertakings management structure with the state exercising macroregulation and control and local governments as the dominant factor; establish a social development mechanism which enables the state, collectives, and individuals to run social undertakings together and various circles in the society to extensively participate in them; and establish a social undertakings operation mechanism which mainly seeks social benefits, gives consideration to economic results, and strictly manages state assets of social undertakings. Besides, we should also seize the time to carry out reforms in science, education, public health, culture, social security, employment, income distribution, and other fields.

3. Increase input and ensure basic conditions for social development.

Many undertakings of a public good nature in the fields of social development need appropriate input from the state. Necessary input into social undertakings, in accordance with the possibility determined by economic growth and the needs of social development, should gradually be put in the orbit of standardization and the scale and growth rate of input should be guaranteed. Input to be made by the central government should be guaranteed and should be arranged in a unified manner each year in plans for economic and social development and should not be used for other purposes. Input to be made by local governments should also be treated in the same manner. In future, with the constant rise in the level of economic development, the spending of the central and local governments on social undertakings should also increase accordingly. Under the guidance of government policies, we should also adopt ways which are commonly used abroad and which suit the characteristics of our country to encourage various sectors to energetically support and finance undertakings of social development, to raise funds from various quarters, and to increase input in social development.

4. Make overall planning, rationally divide the work, and attain coordinated development.

Social development involves many departments and fields and there is a question of coordination in the development of the various aspects. The state should carry out overall unified planning and coordination of various departments, localities, and fields of social development. Various departments and localities should also proceed from reality and do a good job in their respective planning for social development and should include their plans in the general plan for social development of the state. The various departments should have a rational division of work and should cooperate with one another and the various localities should communicate with one another and support one another. The formulation of the "National Program for Social Development" is itself an overall planning and coordination of the work of social development in various fields. We hope that the various departments and various localities will attach great importance to the formulation of the program and the future implementation of the program.

Energetically promoting social development and social progress in China is a great and arduous task. Let us, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, closely united around the CPC Central Committee with Comrade Jiang Zemin as its core, strive to push the social development and reform in China to a new stage and make even greater contribution to the socialist modernization in China and to the prosperity, progress, and civilization of all mankind!

Top Cadres To Pledge Allegiance to Central Authorities

HK0612065694 Hong Kong SOUTH CHINA MORNING POST in English 6 Dec 94 pp 1, 11

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] Beijing has asked top cadres in each province and in major cities to profess allegiance to the "leadership collective" with President Jiang Zemin as its core. And Mr Jiang, who is also chairman of the Central Military Commission, has warned that army officers stationed in the rich provinces might be drawn into an "anti-Beijing coalition" with local officials.

Chinese sources in Beijing said yesterday that beginning last month, Communist Party committees in each province and the main cities had held meetings to discuss the political requirements of the "new era," a euphemism for the post-Deng Xiaoping order.

Under instructions from the Politburo Standing Committee and the General Office of the Central Committee, the party secretary chairing such sessions asked senior cadres present to biaotai ("air their views unreservedly") on the need to profess "absolute allegiance to the leadership collective with Comrade Zemin as its core."

Each cadre was also asked to give his opinion on the need for regional administrations to sacrifice local economic

advantages in the interest of the "overall national situation." After rounds of ritualistic biaotai the party bosses read out Central Committee documents on the overriding importance of maintaining utmost unity with the centre, particularly in the face of unexpected incidents in the new era.

It is understood that apart from Mr Deng's death, such incidents referred to an outbreak of 1989-style student movements as well as conspiracies to subvert the social system mounted by unnamed "hostile foreign forces".

A party source said that, taking the cue from the party secretaries and recent central documents, all officials who had taken part in such meetings used similar language to enthusiastically show their support for the Jiang leadership.

They also insisted that should a conflict occur between the interests of Beijing and those of localities, they would unhesitatingly toe the line of the centre. "Many cadres use the metaphor that the whole country is like a game of chess and every move taken must advance the overall interest," the source said.

Cadres who took part in the meetings included members of the provincial or municipal party committee, governors and their deputies, mayors and their deputies, as well as retired local officials. Transcripts of their biaotai which were recorded in detail by confidential secretaries, were sent to the General Office of the Central Committee as well as the Jiang Zemin Office.

Analysts familiar with biaotai activities pointed out that similar exercises in consensus-building were undertaken in the last days of Chairman Mao, immediately after the fall of the "Gang of Four" in 1976, and soon after Mr Deng's assumption of power in late 1978.

They said that after reading the transcripts, Mr Jiang, whose personality cult rivals that of Mr Deng, was reasonably confident that he could knock out any challenge after the demise of the patriarch Mr Deng. However, given his lack of credentials in the Army and in intelligence, Mr Jiang has taken extra steps to ensure the loyalty of the People's Liberation Army (PLA), the People's Armed Police, state security officers, as well as the special garrison guarding party headquarters.

An Army source said that Mr Jiang had recently expressed concern over the disparity of the incomes of PLA officers working in different parts of the country. "Generals and officers billeted in the central and western areas rely solely on their meagre salaries," the source said. "Those stationed along the coast or who are connected to the major Army corporations have piled up riches, including overseas bank accounts"

He said in spite of periodic rotations of staff among different military regions, generals and officers who had enriched themselves, thanks to joint ventures with civilian parties along the coast, had remained loyal to local interests.

The source said in internal meetings, Mr Jiang had warned that should a power struggle break out after Mr Deng's death, such military elements might support neither Beijing nor himself.

Under Mr Jiang's guidance, the Military Commission recently undertook a massive ideological campaign among officers as well as a thorough security check on their "loyalty".

In the past two months, units including the State Council, the party Central Committee, the Organisation Department, and the Propaganda Department have held numerous gatherings to rally national support behind the Jiang leadership. Analysts said preparations for a smooth transition to the post-Deng era had entered into their final phase.

Pastor 'Removed,' Church Leader Calls for Calm'

HK0612070394 Hong Kong SOUTH CHINA
MORNING POST in English 6 Dec 94 p 12

[By Daniel Kwan]

[FBIS Transcribed Text] A leader of the Beijing Gangwashi Church yesterday appealed for calm after the city's religious authorities forcefully removed their senior pastor and ordered him to retire.

Li Dequan, a member of the church committee, yesterday told the Post that church members should stay calm after the dismissal of the Reverend Yang Yudong, 73, last Sunday. "We will do our very best to make sure that the congregation will not be hurt physically," Mr Li said.

Church members said more than 200 plain-clothes policemen and representatives of the Beijing office of the Three-Self Patriotic Movement (TSPM) took over the church and forced Mr Yang off the pulpit. Yin Juzeng, chairman of the Beijing office of the TSPM, announced Mr Yang's dismissal and said that the Reverend Yu Xinli, the executive secretary of the Beijing office of the TSPM, had taken over.

Mr Li said the church felt that Beijing authorities had slammed the door of negotiation on them. He said the incident on Sunday followed a meeting between representatives of the church committee and the Beijing office of the TSPM on Saturday. During the one-hour meeting, the Beijing religious officials said that their decision to retire Mr Yang and dissolve the church committee must be implemented.

The officials also relayed a message from the State Religious Affairs Bureau that Beijing would not hear any more petitions from the Beijing Gangwashi church and that the Beijing office of the TSPM had the authority to deal with the problem. "They told us clearly that in Beijing, they would not tolerate any confrontation," Mr Li said. And they specifically warned me not to speak to the foreign press any more," he added.

The no-compromise stance taken by the Beijing religious officials was at odds with the position taken by the Chinese Christians Council (CCC) and the national TSPM.

It was understood that the CCC and the TSPM had dispatched three senior members—Cao Shengjie, the Reverend Bao Jiayuan, and the Reverend Deng Fucun from Zhejiang—to meet two representatives from the Beijing Gangwashi Church Committee on November 26 when the CCC and the TSPM held an executive conference in Beijing.

In the meeting, the three members explained to the church representatives that the allegations of misappropriation of church funds by Mr Yu were unfounded.

'Opinions' View Implementing Circular

OWF612012794 Nanjing XINHUA RIBAO in Chinese
25 Nov 94 pp 1, 3

["Firmly Preventing and Correcting Unhealthy Practices in Selecting and Promoting Cadres—the Provincial Party Committee Organization Department Issues Opinions on Implementing the CPC Central Committee Organization Department's 'Circular'"]—XINHUA RIBAO headline]

[FBIS Translated Text] The provincial party committee organization department recently issued "opinions on conscientiously implementing the CPC Central Committee Organization department's 'Circular on Firmly Preventing and Correcting Unhealthy Practices in Selecting and Promoting Cadres'." Full text of the "opinions" follow:

The CPC Central Committee Organization Department recently issued the "Circular on Firmly Preventing and Correcting Unhealthy Practices in Selecting and Promoting Cadres." The circular, which is one of the key measures for implementing the guidelines of the "decision" of the Fourth Plenary Session of the 14th CPC Central Committee, is of great importance for carrying out comprehensively the policy on the ranks of cadres [making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent] and the principle of both political integrity and ability; for strengthening the building of the ranks of cadres, especially leading bodies; and for ensuring the smooth progress of reform, opening up, and the modernization drive. To conscientiously implement the guidelines of the "circular" in the light of Jiangsu's realities, the following opinion is made:

1. It is necessary to conscientiously study the "circular" guidelines and enhance ideological understanding. Party committees (party organizations) at all levels must diligently study and thoroughly understand the "circular" guidelines in conjunction with the study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the "decision" of the Fourth Plenary Session of the 14th CPC Central Committee. Leading cadres should take the initiative in the study, and organize cadres at large in studying the "circular" guidelines; and on the

basis of study, should conduct serious discussions to achieve unity in thinking and understanding. It is necessary to fully understand that upholding the party's line on cadres and opposing and preventing unhealthy practices in promoting people is a major aspect of Comrade Deng Xiaoping's thesis on party building, as well as an important task in implementing the "decision" of the Fourth Plenary Session of the 14th CPC Central Committee. Unhealthy practices in selecting and promoting cadres are a form of political corruption which has seriously damaged the party's image and prestige. To oppose and correct unhealthy practices in promoting people is of great practical significance for accurately implementing the policy on the ranks of cadres and the principle of both political integrity and ability, for strengthening the building of the ranks of cadres, especially leading bodies, for forging close ties between the party and the masses, and for promoting the "two civilizations" in Jiangsu; it is a task that merits keen attention. In the course of study, it is necessary to realistically review and examine the work of selecting and promoting cadres in each locality, department, or unit; earnestly examine and identify any manifestations of unhealthy practices in promoting people; analyze the causes; and put forth remedial measures to effectively correct unhealthy practices so that selection and promotion of cadres can be done in a more healthy, orderly way.

2. Leaders must attach great importance to and must make relentless efforts toward implementation. Party committees (party organizations) at all levels must firmly and comprehensively carry out the "circular" guidelines and pay particular attention to the following three areas in line with the six-point demand outlined in the "circular" and in light of actual conditions in selecting and promoting cadres:

First, it is necessary to strengthen education. Leading cadres at all levels, in studying the theory of building socialism with Chinese characteristics, should implement the "circular" guidelines as a major task in integrating theory with practice, by enhancing party spirit, promoting people on merit, and opposing nepotism. Leading cadres, especially leading members of party committees (party organizations), must set good examples in adhering to democratic centralism, do things strictly according to the relevant regulations and procedures, and take the lead in carefully examining the promotion of people. It is necessary to teach cadres to foster their awareness of serving the people wholeheartedly; and to correctly handle fame, power, and position. People lobbying for official posts must be sternly criticized and educated; such people must not be accommodated. It is necessary to take a clear-cut stance in resolutely checking and seriously investigating and punishing unhealthy practices of discipline violation in personnel arrangements of cadres.

Second, it is necessary to improve and perfect systems. To stop once and for all unhealthy practices in promoting people, it is imperative to improve and perfect various systems. Existing systems and regulations that are practical and effective must be seriously enforced. Good practices in

selecting and promoting cadres in recent years—especially those that give expression to democracy, broaden voters' horizons, and increase the masses' participation, such as democratic recommendations, public opinion polls, democratic evaluation of leading cadres, and open recruitment of cadres—should be summarized, formulated into systems and regulations, and carried out without fail. It is necessary to combine the improvement and perfection of systems with the deepening of reform of cadres' personnel arrangements by actively exploring and gradually setting up a new mechanism for promoting people in keeping with the socialist market economy so as to effectively prevent and avoid unhealthy practices in promoting people.

Third, it is necessary to step up supervision. Party committees (party organizations) and organization and personnel departments at all levels must step up supervision over the work of selecting and promoting people. Party committees (party organizations) at higher levels should conduct periodic inspections of units at lower levels in enforcing various systems and regulations concerning personnel arrangements of cadres; and should promptly correct any practices of selecting and promoting cadres in violation of the relevant regulations and procedures. It is necessary to rely on the masses in exercising supervision. Party committees (party organizations) and organization and personnel departments should earnestly investigate and promptly respond to and handle tips or reports given by the masses. Organization and personnel departments should strengthen work related to investigation and examination of cadres and should reinforce the supervisory functions in selecting and promoting people. It is necessary to set up communications networks between organization and personnel departments and discipline inspection, supervisory, auditing, and other law-enforcement organs for exchanging information periodically, and analyzing and studying work related to selection and promotion of cadres, so that when problems are discovered, they can be reported to party committees (party organizations) for remedy in good time.

3. It is necessary to effectively strengthen the building of organization and personnel departments. Organization and personnel departments are the major functional departments of party committees and governments as well as designated executors of the party's organizational line and policy on cadres; therefore, they shoulder crucial responsibilities in selecting and promoting people. In selecting and promoting cadres, organization and personnel departments should carry out their responsibilities with utter devotion, and should consciously accept the supervision by higher authorities as well as by party members and cadres at large and the masses. They should improve themselves ideologically and in their work style, strictly enforcing discipline in work and cultivating sound professional ethics. They should uphold the principle, be honest and impartial in performing official duties, dare to report situations as they really are, and take a clear-cut stance in resolutely resisting any act of violating the party's principle and organizational and personnel discipline. They should strive to train and bring up a contingent of organization

and personnel cadres who have strong party spirit, correct work style, and expertise in their profession. People who are not suitable for working at organization and personnel departments should be transferred and separated.

4. It is necessary to ensure good inspection work. Party committees (party organizations) at all levels should earnestly conduct an inspection of work of selecting and promoting cadres in each locality or department in line with the requirements of the "circular." The inspection should be focused on the following: First, in inspecting circumstances of implementing the party's policy on the ranks of cadres and the principle of both political integrity and ability, and circumstances of persisting in promoting people on merits, it is necessary to investigate any problems of practicing nepotism and favoritism and of disregarding the principle in selecting people for promotion; second, in inspecting circumstances of giving expression to democracy and persisting in collective discussion by party committees (party organizations) in promoting cadres, it is necessary to investigate any problems of violating the procedures, failing to fully listen to opinions of leading bodies after collective discussion, and practicing "letting one person alone have the say" or "what an individual or minority says counts"; third, in inspecting circumstances of observing organization and personnel discipline and keeping personnel arrangements confidential, it is necessary to investigate problems of offering promises of high posts and other favors, or lightly leaking discussions on personnel arrangements to people concerned in violation of organization and personnel discipline; fourth, in inspecting circumstances of observing the party's principle and discipline related to personnel arrangements of cadres, it is necessary to investigate problems of failing to comply with the party's principle, bending the law for relatives and friends, and currying favor with individual leaders in violation of organization and personnel work discipline.

Party committees (party organizations) at all levels should strive to ensure a good job in the inspection, conscientiously conducting investigations and study, listening to opinions inside and outside the party for sizing up the situation and to accurately identifying problems, seriously analyzing and studying existing problems and weaknesses, and adopting effective measures and formulating rectification plans for thoroughly solving each and every problem. Principal leading comrades of party committees (party organizations) should personally take charge of the inspection, while party committees (party organizations) and organization and personnel departments at higher levels should inspect and supervise the inspection at the next lower levels, seeing to it that each level is responsible for supervising the inspection at the next lower level. The inspection should be an important criterion for the year-end evaluation of democratic meetings by leading bodies and organization and personnel departments at various levels. Party committees (party organizations) of all cities and provincial-level organs, as well as units directly under the province, should prepare a special report on the

inspection and submit it to the provincial party committee's Organization Department before the end of January 1995.

Government To Tighten Industrial Pollution Control

HK0512080594 Beijing CHINA DAILY in English 5
Dec 94 p 3

[By Zhu Baoxia: "Factories To Battle Pollution"]

[FBIS Transcribed Text] Factory directors are being asked to promote environmental friendly production, in conformity with State environmental laws.

The central government is determined to tighten up industrial pollution control and strengthen environmental legislation relating to production, said Buhe, vice-chairman of the standing committee of the National People's Congress (NPC).

Domestic industries score low on environmental awareness compared with those in developed countries, he said.

More than 70 percent of the pollutants in the country come from industry.

Data from the National Environmental Protection Agency (NEPA) shows that only five or six of the country's 570 principal cities approach international standards on environmental quality control.

Five of China's major cities—Beijing, Shenyang, Xian, Shanghai, and Guangzhou—are classified among the 10 most polluted cities on earth.

Acid rain has spread to cover about 29 percent of the country's land area. South and southwestern China is one of the world's three biggest acid rain regions.

Most rivers, especially sections passing through cities, are seriously contaminated.

Frequent accidents resulting in water pollution have endangered public health and caused heavy economic losses in recent months.

And some 10 million hectares of land have been contaminated by industrial solid waste.

Speaking in Beijing yesterday, Buhe encouraged young entrepreneurs to contribute to the country's efforts in industrial pollution control and set an example by promoting clean production.

He made the remarks at the opening of the second annual conference of the Chinese Youth Forum on the Environment.

More than 150 Chinese, along with delegates from Japan and South Korea, are participating in the three-day conference, which is aimed at raising the industrial sector's awareness of environmental problems and promoting environmental protection.

The meeting will discuss and issue a Green Declaration for Chinese Young Entrepreneurs, which will call on young people involved in industrial enterprises to dedicate themselves to the country's environmental protection programme.

A Youth Environmental Foundation, to be set up at the end of the meeting, will support activities in this sphere.

Non-State Sector Labor Management Problems Surveyed

HK0612071594 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1213 GMT 14 Nov 94

[Roundup by reporter Mu Yi (2606 6712): "Serious Labor Management Problems in China's Non-State-Owned Enterprises"]

[FBIS Translated Text] Hong Kong, 14 Nov (ZHONGGUO TONGXUN SHE)—China's nonstate-owned enterprises are facing serious labor management problems. According to incomplete statistics collected in Guangdong, Fujian, and 13 other provinces and municipalities, the country's nonstate-owned enterprises owe a total of more than 335 million yuan in wage payments to more than half a million staff and workers.

The Chinese Ministry of Labor recently has published the results of a nationwide labor management examination it has conducted over the past six months or so. The results show that the country's non-state-owned enterprises have had the following eight serious labor management problems:

1. They employ workers without authorization or in violation of state labor employment regulations, and generally tend to misinterpret decisionmaking power as absolute freedom in employing workers, including peasant workers and temporary workers.
2. They establish labor relations and sign labor contracts in violation of the law. The problem has been manifested in the following three ways: 1) Some sign no labor contracts at all. The aforementioned nationwide labor management examination found that more than 50 percent of these enterprises have signed no labor contracts at all. 2) Some have neither renewed nor terminated contracts that have expired, and have established de facto labor relations instead. 3) Some labor contracts that have been signed fail to offer standardized terms or reciprocal rights and responsibilities, tend to restrain the behavior of employees only, and fail to stipulate in what way enterprises should undertake responsibilities for staff and workers. Some have even signed illegal, invalid, or life-and-death contracts with staff and workers.
3. They willfully extend working hours in violation of the new state working hours system. The aforementioned nationwide labor management examination discovered that more than 9,000 enterprises have been operating overtime. Some have been operating 91 hours overtime each week. For instance, under a temperature as high as

35-38 degrees centigrade, a foreign-funded enterprise still forced woman workers to work 12-14 hours every day, with the result that some of them fainted on the spot. However, they still were accused by their boss of "being delicate."

4. They lack a fair wage distribution system, and frequently deduct or delay wage payments. In order to pay less social security premium, some foreign-funded enterprises have deliberately set a low wage base, and they exclude bonus payments from wage payments in calculating total amount of wages paid to staff and workers. Some enterprises have refused to pay overtime wages to staff and workers in accordance with relevant regulations. Some less efficient enterprises frequently delay wage payments. Persons in charge of some foreign-funded enterprises, private enterprises, or contracted units have deliberately deducted or delayed wage payments. Some foreign-funded enterprises have invented as many as seven excuses whereby to deduct wages. For instance, some have even stipulated that if a worker goes to toilet twice a day and stays in toilet for more than eight minutes each time, he should be fined.

5. Many of them refuse to pay social security premium in accordance with relevant regulations.

6. They operate under poor labor safety and sanitation conditions, and pay little attention to the protection of female workers. The aforementioned nationwide labor management examination discovered that some enterprises have used the same room as dormitory, warehouse, workshop, and canteen, this being the so-called "four-in-one" phenomenon. In some enterprises, 47 percent of those manning posts requiring special skills have no proper licenses.

7. Labor affairs agencies levy unreasonable service charges or even resort to deception. For instance, some labor affairs agents fail to offer jobs, or simply escape after receiving service charges from job applicants. Some simply operate without licenses, or engage in illegal labor-related intermediary activities not prescribed in licenses. Some refuse to issue receipts in accordance with regulations after receiving service charges in a bid to evade taxes.

8. They encroach upon rights and interests of staff and workers. For instance, the Baosheng Shoemaking Company Ltd. stipulates that both male and female workers should undergo body searches by male security personnel in the reception room when they leave the factory after work.

In view of the abovementioned problems, China's labor departments said that apart from conscientiously enforcing the "PRC Labor Law" in the near future, they currently are formulating a series of corresponding decrees and laws. Within the framework of the "PRC Labor Law," they also have promulgated the "Foreign-Funded Enterprise Labor Management Regulations" for enforcement in foreign-funded enterprises. This probably will make it no longer possible for those enterprises to encroach upon the

legitimate rights and interests of staff and workers on the pretext that "China lacks labor laws."

Mainland Partner Detains Taiwan Businessman in Sichuan

HK0312022094 Hong Kong LIEN HO PAO in Chinese
16 Nov 94 p 10

[Dispatch from Taipei: "Taiwan Businessman Detained by His Business Partner in Chengdu; His Family Members Ordered To Pay 5 Million Yuan"]

[FBIS Translated Text] Another Taiwan businessman has suffered misfortune on the mainland. According to sources, Taiwan businessman Chen Jen-yi went to Chengdu, Sichuan, on 8 November. He then was detained illegally by Deng Yujie, general manager from the Chinese side in the joint venture, and his family in Taiwan was told to pay 5 million renminbi yuan to redeem him. Up to this moment, Chen is still under detention. Chen's family is seeking assistance through various channels, but no response has been made from the mainland.

According to Chen's wife, Tao Li-chun, Chen Jen-yi made an investment in Mianzhu County, Chengdu City, in Sichuan, and set up the Honghui Chemical Industry Company Ltd. He himself is chairman of the board of directors. Tao said the event now has developed into a case of criminal kidnapping, and she had sought help from the local government, the procuratorial office, and the provincial Taiwan affairs office in order to rescue her husband. However, no result has been achieved because of the violent threats from the local workers and peasants. Recently, dozens of Taiwan businessmen in Chengdu went to the provincial governor's office to seek help, but they did not get a goodwill response.

Journalist on Probation for 'Angering' Jiang Zemin

HK0612070694 Hong Kong LIEN HO PAO in Chinese
2 Dec 94 p 10

["Special dispatch" by staff correspondent: "Chen Xiaodong Sentenced to One Year in Jail with One-Year Probation for Writing Article That Angered Jiang Zemin"]

[FBIS Translated Text] San Francisco—A few days ago, CPC General Secretary Jiang Zemin, who made his political fortune by shutting down SHIJIE JINGJI DAOBAO and suppressing media opinion in the aftermath of "4 June," again revealed his inclination to persecute intellectuals. Writer Chen Xiaodong, who once worked in the Shanghai Municipal CPC Committee, was dismissed from his work for angering Jiang Zemin with a published article "Jiang Zemin in Our Eyes." Later, he was put on one-year probation, under a suspended one-year prison sentence, on drummed-up charges for writing another piece entitled, "I Was Out of Luck Because of the General Secretary."

An honors graduate from the Chinese Department of Shanghai's Fudan University in the early 1980's, Chen Xiaodong joined the Shanghai Municipal CPC Committee General Office on a job of "collecting information and writing up internal references." After Jiang Zemin became general secretary, an article he wrote based on the reminiscence of a Shanghai Municipal CPC Committee Administrative Office chief, who waited on Jiang Zemin and his family for four years and practically lived with him, was published in a journal in Shanghai. Offended by having the details of his personal life revealed by the article, Jiang Zemin ordered an investigation into the publication under the excuse that party and state leaders' privacy should not be invaded.

People in the know claimed that Zhu Rongji, Jiang Zemin's successor as Shanghai party secretary and mayor, had studied ways to deal with the matter at a municipal party committee general office meeting. Chen Zhili, Shanghai deputy party secretary and Jiang Zemin's confidante, insisted on "taking it seriously and showing no mercy," although there were objections that what the article reported was true, that the author harbored no evil intention and put Jiang Zemin in a good light, and therefore there need not be any further inquiry. However, the municipal party committee general office's administrative meeting still ruled that the author had "violated organizational rules and broken discipline," and the party committee summoned Chen Xiaodong and the administrative office chief by name with a formal document issued under the title of "Shanghai Party Office." The party also issued an emergency notice to news agencies to hold the article, and to withdraw editions mailed overseas and crush them to pulp.

Chen Xiaodong and the administrative office chief were transferred out of the municipal party committee, the latter to a restaurant, the former without a job for six months.

'Millions of Kids' Vaccinated in Drive Against Polio

HK0612091094 Beijing CHINA DAILY in English 6
Dec 94 p 3

[By Zhu Baoxia: "Millions of Kids Vaccinated Against Polio"]

[FBIS Transcribed Text] Over 80 million Chinese children under four years old were vaccinated against polio yesterday.

The programme, part of a national immunization campaign aimed to wipe out the crippling disease, is expected to destroy the final wild strains of the deadly virus.

The health project is being carried out in two steps, the second taking place from January 5 to January 6 next year.

The new year's vaccination drive will mainly focus on inoculating the country's large transient population.

Last year, when a similar national polio immunization campaign was carried out, over 83 million children were given the candy-coated polio pill.

As a result, the number of crippling cases sharply declined.

Yin Dakui, vice-minister of public health said a historic low of 131 polio cases have been reported this year.

And last year, 653 cases were registered nationwide.

Yesterday's preventative action drive saw over 3,000 immunization centres erected in Beijing's markets, long-distance bus stops, railway stations and airports to make sure all local and transient children got their shots.

Over 760,000 children benefited from the activity in the capital city, about 15 percent are transient population.

Chinese Premier Li Peng was seen among officials from world organizations and foreign countries in yesterday's campaign.

Hong Kong singer Leon Lai went to a kindergarten in Dongcheng District to give the candy-coated pills to the children.

The singer organized a guest appearance in Hong Kong early this year and donated the proceeds to support the immunization activities on the mainland.

The World Health Organization (WHO) praised the capital's endeavour, saying: "China has taken a leading role in WHO's campaign to eradicate polio from the world by the year 2000."

WHO aims to eradicate the crippling disease from the Western Pacific region by the end of 1995, five years ahead of the organization's global goal.

In 1991, the Chinese Government committed itself to stamp out polio after responding to a WHO call for action.

Twenty Six Win Honors of 'Advanced Reform Figures'

OW0312040994 Beijing XINHUA Domestic Service in Chinese 0911 GMT 30 Nov 94

[By reporter Sun Benyao (1327 2609 1031); Beijing XINHUA Domestic Service in Chinese at 1451 GMT on 30 November transmits a service message asking that the following item be replaced with another version; differences between the two items rendered in editorial notes]

[FBIS Translated Text] Beijing, 30 Nov (XINHUA)—Appraisal results of China's outstanding reform figures were announced in Beijing's Great Hall of the People today. Twenty-six advanced reform figures won this honor, including Zhou Guanwu, Shi Yuzhu, Liu Chuanzhi, Chu Shijian, Zhao Xinxian, Lu Guanqiu, Chen Zhanliang, Wang Yunfeng, Teng Zengshou, and Jiang Wei.

Vice chairmen of the National People's Congress [NPC] Standing Committee, including Ni Zhifu, Fei Xiaotong, Sun Qimeng, Cheng Siyuan, and Lu Jiayi; and Ngapoi

Ngawang Jigme and Hong Xuezhong, vice chairmen of the Chinese People's Political Consultative Conference [CPPCC] National Committee, were present at today's award-presenting forum of China's outstanding reform figures, which was held in the Great Hall of the People.

To carry forward the achievements scored in reform and foster reform models, four units, including the Chinese Society for Research on the Restructuring of the Economic System and the China Enterprise Management Association, jointly sponsored the campaign to appraise and select outstanding figures in China's reform. Zhejiang's "REFORM MONTHLY" [gai ge yue bao 2395 7245 2588 1032] proposed and organized this large-scale nongovernmental social appraisal campaign. It has been noted that the CPC Central Committee Propaganda Department, the State Economic Restructuring Commission, the State Economic and Trade Commission, and other departments have shown solicitude for and rendered their support to the appraisal campaign. [XINHUA in Chinese at 1451 GMT on 30 November in the replacement version deletes the last sentence]

A ceremony for the issuing of the book, *Outstanding Figures In China's Reform* was also held at today's forum. [XINHUA in Chinese at 1451 GMT on 30 November in the replacement version deletes this sentence]

'Peace Corps' To Promote Social Development

OW0512145294 Beijing XINHUA in English 1400 GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—The China Young Volunteers Association (CYVA), China's "Peace Corps", was founded here today at the Great Hall of the People.

In an address at the ceremony, Vice-President Rong Yiren said that during the past year the substantial voluntary activities organized by the Communist Youth League of China (CYLC) have been widely acclaimed by society as a whole.

As the market economy is being pushed forward, it is necessary to strengthen the socialist development of culture, and to set up and perfect a system of multi-level social security and social services to promote the coordination between economic and social development, he said.

Today is the international day for United Nations volunteers. The CYVA is a nationwide social group formed by young people who are volunteers in the field of social services.

The CYVA aims to provide society with services, help establish and perfect the system of socialist market economy and improve the qualities of Chinese youth.

Rong held that to have more youths involved in the country's construction at the turn of the century is essential to speeding up the pace of economic growth and social progress.

Rong expressed his belief that the newly-founded CYVA will provide better access for Chinese young people to participate in social affairs and public welfare.

The CYVA will co-operate with overseas voluntary organizations and try to learn from the successful experiences of foreign countries, which have a longer history of voluntary activities.

The establishment of the CYVA was based on the Chinese Young Volunteers' Operation, which was launched by the CYLC last December. More than ten million young volunteers took part in the operation by helping orphans and the disabled, fighting illiteracy, eliminating poverty, giving community service, dealing with emergencies and helping people tide over disasters.

According to incomplete statistics, China now has more than 100,000 teams of volunteers in various forms.

The CYVA also received letters of congratulation from Hu Jintao, a standing committee member of the Political Bureau of the Chinese Communist Party Central Committee and first secretary of the Central Committee of the CYLC from 1984 to 1985, and the United Nations Development Program.

Economic & Argicultural

Columnist on Jiang Zemin's Economic Appraisal

HK0612070994 Hong Kong HSIN PAO in Chinese
2 Dec 94 p 35

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429): "Jiang Zemin Appraises China's Economic Situation"]

[FBIS Translated Text] Beijing, 30 November—In recent years some China watchers overseas have doubted the possibility of whether China's economy will maintain a "sustained, rapid, and healthy" development trend and quite a number of guests visiting China have also asked Chinese leaders the same question. This indicates that the international community is concerned about China's economic prospects. In my opinion, to find a correct answer to this question, we must obtain official information and get to know economic experts' and civilians' comments. As for official information, General Secretary Jiang Zemin's appraisal of China's economic situation, which he made during an internal speech a month ago is particularly noteworthy. From this appraisal, we can judge China's current economic situation and the policymakers' intentions on economic reform. This is an important basis to judge China's economic development trend.

As revealed by an informed source in Beijing, Jiang Zemin's appraisal of China's economic situation is this: All economic reforms introduced by the central authorities have proceeded smoothly and the financial and economic situation is now fine. Of course, there are some problems, which mainly manifest themselves as follows: The excessive increase in the investment scale has caused a certain

degree of price increases, some state-owned enterprises are facing difficulties, and the rural areas are not adequately stable; however, all these are problems amid our advance and can be gradually resolved.

In Jiang Zemin's opinion, to resolve these problems, there is a need to comprehensively implement the "Decision on Several Questions Concerning the Establishment of the Socialist Market Economic Structure" ratified by the Third Plenary Session of the 14th CPC Central Committee in November last year (known as the "50 provisions") and to blaze a new trail in the market economy as soon as possible. He said: "Establishing the market economic structure is an unprecedented pioneering undertaking in China. The Western world has spent 300 years but we have just started and what we are establishing is a socialist market economic structure, which is even more difficult. Therefore, in our practice we must pay attention to coordination and matching. Comrade Deng Xiaoping said 'we must be bold and our pace must be steady.' The relationships between reform, development, and stability must be correctly handled."

Jiang Zemin stressed that the 20-character principle of "seizing the opportunity, deepening reform, widening the opening up scope, stimulating development, and maintaining stability" was proposed by the central authorities this year after repeated consideration, adding that this is an important principle guiding economic development which must be upheld.

Jiang Zemin said: During the transformation from the planned economic structure to the market economic structure, macroeconomic regulation and control must always remain in force. In the market economy, we cannot just do whatever we like. Macroeconomic regulation and control is an important component of the market economy. Strengthening macroeconomic regulation and control does not mean restoring the old methods of the planned economic era. Instead, this is for the sake of reform and development. For this reason, macroeconomic regulation and control must be standardized, legalized, and systematized. In addition, reforming macroeconomic regulation and control must be combined with improving the microeconomic foundation. Improving the microeconomic foundation is mainly aimed at transforming enterprises' operational mechanisms, introducing the social insurance system, and practicing the bankruptcy mechanism.

Jiang Zemin Acknowledges Three Major Problems

Jiang Zemin continued: State-owned enterprise reform is the crux of economic structural reform but state-owned enterprise reform is a big problem, which needs everyone to offer advice and requires us to introduce the advanced management experiences of state-owned enterprises in different countries.

Jiang Zemin pointed out: "Utilizing foreign capital is an indispensable method to develop the economy. We are not highly-skilled yet in this respect, nor are we capable enough, so we must train ourselves to gradually become more clever."

Jiang Zemin further said: "A prominent problem in the course of reform and development is how to resolve the relations between central and local authorities. If local protectionism is serious, this will hamper the country's development. Protectionism is now rising in some localities. The central authorities have decided that Li Ruihuan (CPC Central Committee Political Bureau Standing Committee member and chairman of the National Committee of the Chinese People's Political Consultative Conference) will take personal charge of this work to coordinate the relations between central and local authorities, between poor and rich areas, and between different nationalities. Nationality solidarity is now passable [shuode guoqu 6141 1779 6665 0637] but there are still some problems, some latent problems. If they are not promptly resolved, they could break out when the time is mature and this would be terrible. Therefore we must make hay before the rain."

The Way Is To Establish the Market Economy

The informed source said that Jiang Zemin's speech reveals some mature ideas of the high-level CPC leaders on economic structural reform.

First, the central authorities are determined to establish the socialist market economic structure in China. As everyone is aware, the core of Deng Xiaoping's southern tour talks in early 1992 was establishing the market economic structure in China to bring about constant economic development. Deng Xiaoping's idea made it possible for the 14th CPC National Congress in October 1992 to determine the establishment of the socialist market economic structure as the general target of economic structural reform and for the Third Plenary Session of the 14th CPC Central Committee in November 1993 to ratify the 50 provisions, which serve as the basic framework for establishing the socialist market economic structure. With the establishment of the market economic structure, China's economy will enter a normal operational period. Therefore, in his speech, Jiang Zemin pointed out the need to resolve the existing problems in the current economic reform and to comprehensively implement the 50 provisions.

To comprehensively implement the 50 provisions, the CPC has already formulated three-step measures for the establishment of the market economic structure. The first step is to initially form the basic framework of the new structure within two years, beginning this year, and gradually converging with the international market; the second step is to form a new, equal, and competitive economic operational mechanism in 1997; and the third step is to establish a new socialist market economic structure by the end of this century.

Second, the 20-character principle of "seizing the opportunity, deepening reform, widening the opening up scope, stimulating development, and maintaining stability" will remain an important principle guiding China's economic development for a certain period to come. Vice Premier Zhu Rongji explained this principle as follows: "In the course of reform and opening up, we must always handle

correctly the relationships between reform, development, and stability. Economic construction is the focus of all work; reform and opening up is the impetus propelling economic development; economic development, reform, and opening up serve as the foundation for social stability and the country's long-term tranquility; and maintaining social stability is the precondition for stimulating economic development and smoothly carrying out reform."

This 20-character principle was fully confirmed by Deng Xiaoping. Prior to his 90th birthday commemoration in July, Deng Xiaoping told high-level CPC leaders that the principle of "reform, development, and stability" laid down early this year was correct and must be upheld for a long period to come. Reform and development must remain for a long time, as must stability.

Some economic experts in Beijing pointed out, however, that development is the last word but stability is a mild principle [ruan daoli 6516 6670 3810] and a mild principle must follow a rigid principle [ying daoli 4289 6670 3810]. Viewed from the objective need of mainland economic development, reform has a more urgent meaning than stability.

Third, Jiang Zemin pointed out that strengthening macro-economic regulation and control, safeguarding the authority of the Central Committee, and rationalizing the relations between central and local authorities are indispensable factors in maintaining "sustained, rapid, and healthy" economic development. On 29 November RENMIN RIBAO published a commentator's article stressing the need to safeguard the authority of the Central Committee. This suggests that the Central Committee can no longer tolerate decentralization and localism, which hamper the implementation of various reform measures. But if the stress on safeguarding the authority of the Central Committee leads to taking back the powers already delegated to localities, this is not the original meaning of Deng Xiaoping's idea.

Wen Jiabao: Vigorously Expand High-Tech Industry

OW0512163594 Beijing XINHUA in English 1600 GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—Wen Jiabao, a senior leader of the Chinese Communist Party, today urged that great efforts be made to expand China's high-tech industries so that the country's high technology can take up its due position in the world.

Wen, an alternate member of the Political Bureau of the Chinese Communist Party Central Committee, today inspected the legend company, the largest computer manufacturer in China.

Since its establishment in 1984, the company has earned ten billion yuan from sales, exported 300 million U.S. dollars-worth of goods and generated 300 million yuan in profits and taxes.

To date, it has opened 50 branches in China and other parts of the world. It now employs 2,300 people and has assets worth 500 million yuan.

Speaking to workers of the company, Wen, who is also a member of the Secretariat of the party Central Committee, stressed the importance of promoting the use of scientific and technological findings through research and development.

"We must cater to the needs of the domestic and global markets, and enable our products to occupy markets despite fierce competition," he told the workers.

It is necessary to encourage research institutes to cooperate with manufacturers in order to speed up the growth of high-tech industries, and the modernization of China's economy, he said.

He noted that to accelerate the development of China's high-tech industries it is necessary to choose a number of technological projects that are vital to the growth of China's economy and will have good market prospects.

After the projects are chosen, a strong technical force should be organized to undertake them and a number of high-tech enterprises should be set up, he said.

Wen also called for work to use high-technology to upgrade traditional industries and deepen the reform of the scientific and technological management system.

CPC Relays Economic Conference Guidelines

OW0612115794 Beijing XINHUA Domestic Service in Chinese 0631 GMT 5 Dec 94

[By reporter Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 5 Dec (XINHUA)—On behalf of the CPC Central Committee, Wang Zhaoguo, director of the CPC Central Committee's United Front Work Department, today chaired a briefing for non-CPC people, during which he relayed the central economic work conference's guidelines to people from various democratic parties and the All-China Federation of Industry and Commerce [ACFIC], as well as people without party affiliation.

Wang Zhaoguo said: The CPC Central Committee and the State Council held a central economic work conference in Beijing from 28 November to 1 December. The main tasks of the conference were to sum up reform and development over the past year; analyze the current situation; unify thinking and understanding; study and decide on the guidelines, key tasks, policies, and measures for next year's economic work; handle the relationship between reform, development, and stability more properly; further the drive of reform and opening up; and achieve sustained, rapid, and healthy national economic development.

Wang Zhaoguo said: To implement the conference's guidelines, the most important thing is to gain a clear understanding of the situation, unify thinking, and build confidence. Also, we should define our tasks, draw on collective

wisdom, and work in earnest. Our prompt communication of the central economic work conference's guidelines is aimed precisely at making greater use of our strengths on the united front; at encouraging democratic parties, the ACFIC, and people from all walks of life to exercise democratic supervision through participation in the administration and discussion of state affairs; and at making new and even greater contributions to reform, opening up, and socialist modernization in accordance with the CPC Central Committee and State Council's arrangements.

During the briefing, Wang Zhaoguo relayed the important speeches made by Jiang Zemin, Li Peng, and Zhu Rongji at the central economic work conference.

Attending the briefing were responsible persons from the central committees of various democratic parties and the ACFIC, as well as people without party affiliation, such as Sun Qimeng, Lei Jieqiong, Cheng Siyuan, Li Peiyao, Wu Jieping, Ngapoi Ngawang Jigme, Zhao Puchu, Qian Weichang, Dong Yinchu, Sun Fuling, Wan Guoquan, Cai Zimin, Jing Shuping, Peng Qingyuan, Ding Shisun, Feng Tiyun, Chen Shunli, Fang Rongxin, and Xu Caidong. Also in attendance were Liu Yandong and Zheng Wantong, deputy directors of the CPC Central Committee's United Front Work Department.

State Council Forecasts End to Overheating 'Soon'

HK0512154294 Hong Kong LIEN HO PAO in Chinese
3 Dec 94 p 10

["Special dispatch" by special correspondent Lai Chin Hung (6351 6930 1347): "State Council Forecasts Overheated Economy To Draw to an End Soon, Economic Growth To Drop to 10 Percent in 1995"]

[FBIS Translated Text] Beijing, 3 Dec—Soon after the Central Committee's economic conference, a think tank under the State Council presented Jiang Zemin and Zhu Rongji with a general forecast for the economy next year. The report said that the economic growth rate will fall next year and prices will drop considerably, but there will be no relaxation in macroeconomic regulation and control. It said that the "overheating of the economy" is nearly at an end, and the overall economic picture is optimistic. However, the income gap between factory and farm workers will continue to widen, and reform of state-owned enterprises, which has been listed as a priority, will not achieve very much.

Curbing inflation will still be considered by Beijing as the number one task in managing the economy next year. There will be no relaxation of the macroregulation and control policy, although it will not be tightened either. As far as economic growth is concerned, next year's growth rate will be lower than this year and is expected to be around 10 percent, or even lower. The forecast for this year is between 11 and 11.5 percent, which is already lower than last year's 13.5 percent.

Economic experts predict that with macro regulation and control, China's economic growth will steadily fall next year, but compared to other countries it will still grow at a fast pace. Under these circumstances, the macroregulation and control policy will be carried through and will not be relaxed, despite "immense pressure from the regions". The major manifestation of this is that credit will not be relaxed, and enterprises will still face a shortage of loans next year. The experts said that credit will not be relaxed until prices drop.

The think tank experts pointed out that the cause of the present serious inflation problem mainly lies with agriculture. Prices of agricultural and sideline products, particularly the price of rice, have risen sharply, resulting in a general rise in foodstuffs' prices. But at the same time, prices of industrial products have not increased by a great deal; in fact, the price of some production materials has even fallen. Therefore, from an economic point of view, this kind of price rise is not real inflation, rather it is structural inflation.

Since the central government adopted measures to raise prices of agricultural produce, farmers have been given more incentive to produce. As a result, agricultural production, including rice production, is expected to increase next year. So, prices of agricultural and sideline products are expected to fall next year. And a drop in the price of agricultural and sideline products will naturally bring about a lowering of the consumer price index. This year, the consumer price index on the mainland has risen by as much as 22 to 24 percent, and next year the figure is expected to fall to around 15 percent. The estimate from the State Council think tank is that the extent of price rises next year will be much smaller than this year.

On the serious problem of widening income differentials between the cities and the rural areas, as well as between factory and farm workers, these experts predicted that the gap will widen even further, constituting a major underlying worry in the country's economic development over the next few years. The faster the economy grows, the bigger the gap between the incomes of factory and farm workers.

Next year, exports will grow at a slower rate than this year, while the scale of fixed assets investment will remain much the same.

The experts stressed that this wave of "economic overheating" started with industry and will finish with agriculture. Looking at it now, the wave is nearing its end.

Reforming state-owned enterprises will undoubtedly be next year's focus, but the overall scope and pace will not be too large or too fast. Therefore, it will not result in a series of bankruptcies or a large number of unemployed, scenarios which worry foreign investors.

A noteworthy point is that Beijing definitely views next year's state enterprise reforms as its "Maginot Line", and will fight to win or die. The top leadership in Beijing will

adopt a large number of innovative measures to create much better external conditions for state enterprises so that they can become real enterprises and can compete on an equal basis with foreign-funded and private enterprises.

Central Government To Standardize Auction Market

HK0512030294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Dec 94 p 1

[By Ding Xuemei: "Unqualified Auctioneers To Leave The Stage"]

[FBIS Transcribed Text] The central government is moving to reorganize China's auction markets in line with regulations adopted in October of this year, according to an official.

An examination of the markets will be carried out by the Ministry of Internal Trade to decide which will stay in business and which should be closed.

Every auction company is asked to report its financial status to the Ministry of Internal Trade before the end of this year, said Zhao Jie, director of the ministry's Market Administrative Department.

The reports will include registered capital, fixed assets, business scope, regulations and rules, business charges and taxing state, Zhao said.

The ministry will examine the reports within one month and will make public its decisions regarding those which are in accord with the auction regulations.

Unqualified (auctions) are no longer allowed to engage in auction business and those refusing to hand in their reports before the deadline will be considered unqualified, Zhao said.

Future establishment of auction companies must be examined and approved by the Ministry of Internal Trade according to the regulations. The Ministry of Internal Trade will also examine and issue credentials to specialized personnel to standardize operations of auction business.

Those without approval from the ministry are not allowed to conduct any auction business.

To heighten the quality of auctions, the ministry will map out a plan to train auction personnel.

So far, more than 300 auction companies have been set up across the country since the State resumed auction market in 1986, playing an important role in helping circulating of commodities, Zhao said.

Auction businesses have been involved in areas from confiscated goods, cultural relics and commodities to real estate, patents and trade marks.

Prices of commodities and goods after auction usually registered an increase of 30 per cent.

Though China's auction industry has been developing rapidly and smoothly, experts say that China's auction market is still in its early stage compared with a long history of several hundred years in other countries, and many aspects need to be improved to ensure its healthy development.

Some auction companies witnessed rampant operations due to lack of laws and regulations. And China still doesn't have a complete law on auction management.

Some provinces and cities have stipulated auction regulations, but these for the most part lack unity.

Auction businesses are often conducted according to auction companies' own procedures, leaving the door wide-open to spurious practices and outright fraud.

Experts have urged that non-standard auctions should be improved by legislation in order to join the international market.

A standard auction should include standard tools, terms, procedures, techniques and professional norms.

So the country is drafting an auction law based on the newly-adopted regulations to enhance management of the industry, Zhao said.

"The move of reorganizing the auction market should lay a foundation for the smooth adoption of the auction law," Zhao said.

Commission Recommends Growth Rate of 9 Percent

HK0612070294 Hong Kong SOUTH CHINA MORNING POST in English 6 Dec 94 p 12

[By Cheung Po-ling]

[FBIS Transcribed Text] A State Planning Commission recommendation on a moderate growth rate for next year is expected at a national planning work meeting to be convened in about a fortnight.

Sources in Beijing said economists at the commission would back a growth rate of nine percent for 1995.

The authorities have also decided to restrict inflation to no more than 10 percent, although many mainland economists predict next year's inflation rate will remain at 20 percent. Inflation, at a record 27 percent last October, has shown no sign of abating.

"Twenty-plus percent inflation is a painful reality," one source said. "From the central government's resolution, the leadership really wants to squeeze inflation to under 10 percent."

The battle against inflation was high on the agenda of the National Work Meeting on the Economy which ended in Beijing last week.

Chinese sources said the Communist Party leadership had opted for a relatively cautious development strategy in

view of persistent signs of the economy overheating. They said the key to next year's development was in containing the scale of investment, particularly the accumulation of capital.

However, since China has come under heavy pressure to relax its tight money policy, the authorities are expected to announce selective loosening of credit to preferred sectors.

Last week's meeting stressed that the regions and various enterprises must heed Beijing's demand for noninflationary growth by adhering to stricter central control of the economy.

At the proposed work conference this month, specific target figures for growth and the retail price index will be tabled for discussion among provincial leaders and heads of various ministries.

Chinese economists said fear of social unrest triggered by inflation had made it easier for the cautious wing of the leadership to impose the mild growth rate target.

The more radical reformers in the party have been lobbying for a growth rate of 10 percent or more repeatedly recommended by patriarch Deng Xiaoping.

But in order to sustain a "stable and healthy development", emphasis was shifted to areas like health and stability rather than speed of change, sources said.

Meanwhile, the State Commission for the Reform of the Economic Structure has urged ailing state enterprises to shoulder the huge debts which remain the main obstacle to a series of key reform measures on enterprise.

According to a dispatch from the semi-official China News Service yesterday, a commission official said new measures should be imposed to solve the problem.

He said profitable enterprises should set up reserve funds for possible future debts resulting from bad investments, while debt-ridden enterprises should be "well-vetted" by banks before loans were extended to cover the debts.

Finance departments could issue special bonds to the banks which paid debts of those enterprises which ran into problems due to "circumstantial factors".

Technology Bureau Outlines Standardization Plans

HK0512075394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Dec 94 p 8

[By Sun Hong: "Top Goods To Sport New Label"]

[FBIS Transcribed Text] The State Bureau of Technology Supervision plans to bestow over 1,000 Chinese commodities with a special mark to distinguish them as meeting high-level international standards.

The announcement will be made early next year, according to an official with the State Bureau of Technology Supervision (SBTS).

"The measure is expected to sharpen the commodities' competitiveness both at home and abroad and encourage domestic firms to follow international standards," said Chen Wei, director of the standardization department at the bureau.

China has over 17,000 state standards at present, among which 40 percent are in line with international standards.

Chen said fast development of standardization has been achieved in such sectors as civil aviation, tourism, metallurgy, and the chemical industry.

And an SBTS report shows that high-tech industries enjoy a particularly high proportion of international standards. In the electronics industry, 70 percent of the standards are based on international standards. And in the communication and information industries, the figures are 75 percent and 80 percent respectively.

Such rates partly result from the government's stress on using world standards in new products, technical renovation, and technical introduction.

The government selected 203 new products this year as key international standard-adoption projects to enjoy priority in such fields as taxation. Next year, targeted new products will reach 300.

The government hopes that 80 percent of the country's goods will meet international standards by the end of the Ninth Five-Year Plan (1996-2000).

Since last year, compulsory standards of the country have been cut to 1,822, or 10 percent of the total, compared with 100 percent a few years ago.

China's compulsory standards today are all necessary ones involving national safety, human health and safety and environmental protection.

They strictly follow GATT agreements and have nothing to do with trade barriers, Chen said.

In recent years, China has set up 207 national standardization technology commissions with 16,000 experts working in the sector.

SBTS, which administers standardization and metrology—the scientific study of measurement—joined the International Standardization Organization (ISO) and the International Commission of Electricity (ICE) in the late 1980's.

Since then, it has taken part in activities arranged by nearly 300 international standardization organizations.

The bureau plans to recommend 100 domestic enterprises to the world next year. In the mean time, it is helping the companies contact international standardization organizations and take part in standardization activities.

Efforts To Protect Intellectual Property Rights

HK0612071394 Beijing GUOJI SHANGBAO in Chinese
11 Nov 94 p 1

[By Wang Hua (3769 2901) and Chi Liwei (6688 7812 0251): "Chinese Customs Takes Action Against Infringement of Intellectual Property Rights"]

[FBIS Translated Text] Several days ago, the Qingdao Customs cracked a trademark infringement case at Dongshan port. According to a report given by a certain company in Shandong, the Customs held the right-infringing goods in custody in two containers that were about to be exported by a certain import and export company in Anhui province. It was reportedly one of several cases cracked since 15 September, when Customs began to implement measures intended for the protection of intellectual property rights during the import and export of goods. At last, Chinese and foreign firms, which have been troubled by the import and export of right-infringing goods, have found a "place" to lodge their complaints.

In recent years, the protection of intellectual property rights has become a question that attracts increasing general concern in international political, economic, scientific, and cultural exchanges. In order to further improve the intellectual property rights protection system, implement the international obligations the Chinese Government has undertaken, stabilize international trade relations, and maintain a market economic order where there is fair competition, the Chinese Customs has stepped up legislation for the protection of intellectual property rights in the import and export of goods. Moreover, before relevant laws and regulations are officially promulgated and put into effect, the General Administration of Customs published a notice that beginning 15 September, in line with relevant current international legal provisions, measures would be implemented to protect intellectual property rights in the import and export of goods, and that no goods infringing on intellectual property rights (including trademarks, copyrights, and patents) would be allowed for import and export. This step serves as a token that customs control is coming still closer to international practice. Legislation is being speedily stepped up.

Customs authorities in all localities are conscientiously implementing the spirit of the notice published by the General Administration of Customs, are strengthening the inspection and seizure of right-infringing goods during their import and export, and are beginning to obtain some good results. In early October, China's customhouse at Kowloon discovered that a certain company in Shenzhen had attempted to export a batch of "Shankala" brand stomach capsules through ordinary declaration procedures. In fact, their original place of production was Luofushan of Guangdong's Huizhou, and the capsules were suspected of infringing on the trademark of a Hong Kong company. They immediately asked the owner of the goods to check the intellectual property right status of the goods and make an additional declaration. Since the owner of the goods could not produce legal evidence of the trademark, the customhouse at Kowloon had the goods returned to the producer in accordance with regulations.

In order to curb the import of illegally pirated compact discs, the Customs has strengthened import and export supervision. On 1 November, the customhouse at Kowloon found that a certain Li, the driver of a company, was attempting to carry 3,250 CD's out of the Chinese

border in five boxes. Before this, the same customhouse also found in an inspection that what were declared to be "information manuals" were 4,750 pirated CD's in six boxes sent by speed post. The customhouse confiscated all the smuggled goods discovered on these two occasions, and meted out punishments in accordance with relevant regulations.

In order to learn and use for reference the experiences of Customs authorities around the world with respect to the protection of intellectual property rights in the import and export of goods, the General Administration of Customs and the World Customs Organization jointly called not long ago the Symposium on the On-Border Protection of Intellectual Property Rights. The World Customs Organization and the Customs authorities of the United States, France, and Hong Kong shared their experiences regarding legislation and law enforcement. The International Federation of Phonograph Industries (IFPI), the Business Software Alliance (BSA), the Federation of Swiss Watch Industries (FSWI), and the Motion Picture Exporting Association of America (MPEAA) gave briefings on their intellectual property rights status and on the methods of distinguishing genuine products from fakes. China's Customs made known its position on the protection of intellectual property rights, and stated the positive attitude that China—proceeding from reality—would use for reference and absorb the advanced experiences of customs authorities around the world. Participating representatives generally held the fact that China can within such a short time legislate, study, and make good progress in the protection of intellectual property rights in the import and export of goods, and can strengthen the inspection and seizure of rights-infringing products and score achievements, fully demonstrates the good faith of the Chinese Government, and that the Chinese Customs is able to enforce the protection of intellectual property rights in the import and export of products.

Patent Market Takes Shape

HK0612071794 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0813 GMT 14 Nov 94

["Special article" by reporter Lin Ying (2651 7751):
"Patent Market Is Taking Shape in Mainland China"]

[FBIS Translated Text] Since the implementation of the Patent Law in mainland China in 1985, the State Patent Office has received more than 410,000 applications for patent registration from both Chinese and foreign applicants, of which more than 300,000 have been approved following examination. Thus it can be seen that the transfer of patented technology has opened up a tremendous market in mainland China, and this trade has been playing a certain role in the development of China's market economy.

Nowadays, special organizations to handle patent affairs have been set up in all provinces and municipalities in China, and patent-related services have developed to a certain extent. As a heavy industry base, the province of

Liaoning, in the northeast, has seen the most rapid development of patent-related services, and it ranks among the leading provinces in terms of applications for patent registration, patent authorization, operation of patent agents, and patent protection. Statistics compiled by the Liaoning Provincial Patent Office show that in the past 10 years or so, more than 31,000 applications for patent registration were submitted, accounting for 7.8 percent of all the applications received all over the country. Of these applications, patents have been granted in more than 25,000 cases, accounting for 8.4 percent of all approved patent applications. Thus Liaoning tops the country in terms of both these measurements. In the past few years, in the wake of the increase in the number of applications for patent registration, many special patent agents—including agents assisting in applying for patent registration, patent consultation and patent search services—patented technology transfer agents, and patent affairs consultants serving enterprises, have emerged in the province to suit the needs. Now 35 patent agent firms, staffed with a total of nearly 400 patent agents, have been established in the province, ranking Liaoning first among other provinces in mainland China in terms of the number of patent agencies. Last year alone, these patent agencies succeeded in more than 3,600 patent applications.

At present, most provinces and municipalities in China have set up their own intellectual property rights service centers, which focus on providing legal protection for intellectual property rights. Law firms specialized in affairs relating to intellectual property rights, law courts to hear cases relating to intellectual property rights, and patent courts have been set up in some provinces and municipalities, providing the services of legal consultations, legal proceedings, mediation, and arbitration; providing better protection of patent rights; and safeguarding intellectual property rights. Last year, government agencies in charge of patent affairs in Beijing handled more than 200 cases of disputes relating to patents, of which more than 150 cases were resolved. Their efforts effectively protected patent owners and the public's legitimate rights and interests, and ensured the exercise of patent rights, which in turn has produced good economic results. The Anshan Iron and Steel Corporation last year applied for registration of more than 100 patents, of which more than 50 have been approved, bringing the corporation a return of 110 million yuan.

In order to more effectively coordinate the operation of patent agencies of all provinces and municipalities across the country, the State Patent Office set up China's first national permanent patent market in the Yantai city economic development zone in Shandong Province last September. It is reported that the Yantai patent market has installed modern equipment to provide assistance in transactions of patented technology, new technology, and new products and inventions, as well as diversified, comprehensive services. The patent market has under it an information search center equipped with an electronic telecommunication system, a database, and several micro-computer networks. All new technology items and new

products that are put on the market for sale can be listed in the computer networks and network publications available to all provinces and municipalities across the country. At the same time, the patent market also has set up a human resource data base, rendering personnel appointment services to Chinese and foreign-funded enterprises.

It is said that the Yantai patent market will hold a large-scale patent trade fair annually, rendering clients such services as patent directory searches, legal proceedings relating to patents, assignment of patents, and appointment service for professionals specialized in patent affairs. During the annual trade fair, patented technology and products also will be demonstrated to customers, and services will be provided regarding the instant transfer of patented technology. The trade fair is to serve not only clients from other provinces and municipalities in China, but the international market as well, and will promote the commercialization, professionalization, and marketization of services related to patented technology, inventors, products, and patent information.

RENMIN RIBAO on Commercial Bank Development

HK0612073394 Beijing RENMIN RIBAO in Chinese
11 Nov 94 p 5

[By Wang Qishan (3769 1477 1472): "Deepen the Reform and March Along the Road of Developing Commercial Banks"]

[FBIS Translated Text] Based on the spirit of the "Decision" by the Third Plenary Session of the 14th CPC Central Committee on "gradually transforming existing specialized banks into commercial banks" and the requirements of the State Council, the Construction Bank is to be gradually transformed from a specialized national bank into a state-owned commercial bank mainly engaged in middle- and long-term credit business.

The shift from a specialized national bank to a state-owned commercial bank means the deepening of the reform. Since there is no ready made operational method to be followed, we must constantly explore this issue. 1. **Meeting the demands of macroeconomic control to serve the improvement of the macroeconomic environment.** Developing a socialist market economy requires a sound system for macroeconomic regulation and control. The Construction Bank, as a state-owned bank, is still a link for the state to exercise macroeconomic regulation and control after adjustment of its work focus and the changeover of its functions. Its business operations must conform with the aims of macroscopic regulation and control. It will continue to follow the state financial and industrial policies to strictly control credit scale and rationally determine where the loans will go. In accordance with the principle of separating loan business for policy considerations and commercial loans, the priority for loans will be given to supporting the development of key sectors being developed by the state and pillar undertakings with good economic efficiency, market oriented product prices, and

sufficient ability to pay back the loans. At the same time, support will be given to economic construction of localities. Under the prerequisite of subordination to macrodemand, the operational efficiency of the Construction Bank must be constantly enhanced to ensure the increase of its asset value and profits.

Establishment of policy banks is a major reform in China's investment and finance systems. The Construction Bank will conscientiously perform the duty of a policy bank in doing commission business, improve the internal management system with regard to commission business, independently allot funds and do business accounting, and guarantee that loan funds granted for policy considerations are delivered on time. It will also assist in solving difficulties in construction projects which come under government policy, promote the adjustment of state production setups, and quicken the pace of key construction projects.

2. **Maintaining business characteristics with emphasis on middle- and long-term credit and setting up a corresponding assets liability system suitable for such characteristics.** Middle- and long-term credit is mainly applied to fixed capital investment. In accordance with the demands of the reform in the state financial system, as the Construction Bank is transforming itself into a state-owned commercial bank, it must take middle- and long-term credit as its main business. It must make full use of and continuously consolidate the base already formed over a long period of time in making fixed capital investment, improve management and administration, and play its positive role in the field of fixed capital investment.

The adjustment of the assets liability system must be carried out in line with the requirement of mainly providing middle- and long-term credit. For a long time in the past, the Construction Bank, for a variety of reasons, followed a pattern mainly characterized by short-term liabilities and long-term assets. There is a fairly big gap between this pattern and commercial banks' principle of coordination between assets and liabilities. It was difficult for the Construction Bank to maintain an assets structure with emphasis on middle- and long-term credit. Therefore, it is necessary for the Construction Bank to perform its functions of turning part of its short-term capital into long-term capital and explore the rational degrees for the long-term application of short-term capital. On the other hand, it must open up more sources for raising long-term credit funds and increase the proportion of long-term credit funds in liabilities. In addition, maximum efficiency must be reached in the use of limited credit funds on the basis of a rational ratio between middle- and long-term credit and short-term credit in the liabilities structure.

As the risks in extending middle- and short-term loans are quite high, it is an important task for the Construction Bank to establish an overall, scientific, and strict system to guard against risks to do well in its business operations. It must conduct macro, intermediate, and micro economic investigations and have good knowledge of the basic situation in the industries, sectors, and enterprises to

provide an objective basis for raising the policymaking level in providing loans. It must establish a sound credit appraisal system, separate loan appraisal from loan granting, carry out management based on stages and levels, and follow a risk-prevention decision system on the basis of collective examination and approval. It must also set up a loan-risk management and responsibility system. Mortgage loans and guarantee methods must be employed to reduce the amount of credit loans. A system for assessing the creditworthiness of clients should be implemented so that loans can be controlled and the recipients well chosen in accordance with the level of creditworthiness. Moreover, extra effort should be made to activate assets holdings to optimize assets quality.

3. Continuously improving service functions and strengthening financial support for economic construction. Along with the steady increase in the degree of market participation in China's economic life and the step-by-step setting up of a modern enterprise system, relations between the Construction Bank and its clients are bound to change. The previous relations of supervising and being supervised are to be changed into those of mutual dependence, mutual support, and joint development. In the course of the transformation of relations between banks and enterprises, the Construction Bank must keep its ties with and attract more clients with its market viewpoint, economic means, and perfected functions. In the course of providing high-quality services for the society and its clients, the Construction Bank must strive to develop and expand itself.

The Construction Bank must constantly consolidate and create new financial commodities and provide more services. Catering to market demand, it must absorb deposits from enterprises, saving deposits from residents, and various kinds of fund deposits as well as the idle capital in society.

In light of its work characteristics, the Construction Bank must conduct its intermediate business such as the development of fund accounting, credit consignment, appraisal consultant services, project price assessment, facilities renting, assessment of property prices, information service, providing safes, factoring and payment service, and funds management. It must standardize its management and provide the clients with satisfactory, attentive, and secure services.

In accordance with China's relevant laws and regulations, and on the basis of strengthening the management of subordinate economic entities, the Construction Bank will set up several wholly-owned or subsidiary holding financial companies, expand their business coverage areas, and strengthen their market penetration.

4. Meeting the demand of opening up to the outside world and quickening the pace of marching toward the international financial market. The Construction Bank will make use of its experience in managing fixed assets investment to actively solicit foreign funds for China's large and medium projects, borrow money from foreign commercial banks in a planned way, issue bonds abroad, and expand

the channels of raising funds outside the borders to import more foreign funds for our economic construction.

The Construction Bank will develop its business in foreign exchanges at home, expand its international accounting network, and increase, step by step, the proportion of its assets and income in foreign exchange.

To lay a foundation for becoming an internationalized bank, the Construction Bank will steadily increase the number of its overseas organs and strive to set up its subsidiaries in most of the major world financial centers by the end of this century.

5. Improving the internal operational and management system in accordance with the operational principle of modern commercial banks to enhance business efficiency. In future business development, the Construction Bank will place equal stress on expanding quantity and improving quality, and on the expansion of quantity and the adjustment of reserves, to shift the work focus to the enhancement of economic efficiency. It will gradually improve operational mechanisms characterized by "independent operation, assuming sole responsibility for profits and losses, taking risks independently, and self-constraint". It will follow an internal operational and management system characterized by unified administration at different levels, clear definition of duties incumbent on each post, rational distribution, and integration of responsibility, power and interests to enhance, as a whole, the management level of Construction Bank branches at all levels and arouse their enthusiasm in improving management, increasing income, and cutting down expenditures.

On a reciprocal basis between powers and responsibilities, it is necessary to rationally define the powers and responsibilities of organs at all levels and also each and every functional department. The system of examining and assessing work performance in subordinate banks by the higher authorities, or the work achievements of functional departments inside the Construction bank branches, should be improved.

It is necessary to implement a proportional management of assets and liabilities with limitation of amount and establish a supervisory and assessment system in light of local conditions to create conditions in the interest of the full transition to full-scale proportional management of assets and liabilities. It is necessary to optimize the distribution of assets and enhance the safety, mobility, and profitability of assets.

It is necessary to establish a two-level funds regulation and control system to form internal unified and highly effective funds regulation, control, and preparation mechanisms. Head office is a center of unified funds transfer, operation, and management. Under the prerequisite of accepting funds transfer by the head office, various branches are responsible for internal funds allocation to ensure normal payments of funds and rational use of funds in the entire bank.

The financial distribution system and financial achievements appraisal targets will be improved. Proceeding from the fact that the development of the regional economy is uneven in our country, and that there is a fairly big gap between various branches in terms of assets and liabilities structure and basis, it is necessary to set targets at different levels for financial efficiency, distribution, and efficiency. It is necessary to pursue a management accounting system so that each and every department and post shoulders the responsibility of financial management.

In accordance with the principles of prudence, stabilization, consolidation, enhancement, appropriate adjustment, and improvement of the management scope, more branches and networks will be set up in a planned way in cities and places which have a comparatively large potential for business development, such as key cities and coastal open zones. We will also strengthen the management and operational ability of the existing organs and networks. Appropriate adjustments will be made with regard to organs and networks with insufficient business volume, no hope for development, or with grim prospects of making up deficits. We will rectify internal organs, straighten out internal working relationships, and attain the targets of efficient and simple administration to create the conditions for improving managerial efficiency.

We will strengthen routine administration and standardize the internal operational system for each work section and post. We will also beef up the work of supervision and checking to ensure that government decrees are carried out smoothly and that various rules and regulations are conscientiously, strictly, and effectively observed.

6. Gradually setting up a personnel system and an income system for employees which conforms with the management of a commercial bank. The stress will be placed on forming a management mechanism which ensures that employees can work both at the top and down below and that they can be both employed and dismissed. It is necessary to establish a stimulus system which links efficiency with employees' benefits and promotion and demotion with political quality, working capability, and work achievements.

As we promote reform of the cadre system, we will select leading cadres in accordance with their moral qualities, diligence, capability, and achievement, as well as the "four transformations" standard, and do a good job in the building of leading bodies at all levels. We will pursue a cadre appointment system and management responsibility system by objectives during the term of service. An appointment and assessment system will be implemented for employees. With regard to those employees who have low working capability and bad performance, or fail to meet the demands at posts, they will receive training for reemployment. As for those who fail to prove equal to their work, they will be resolutely demoted, dismissed, or laid off.

On the basis of implementing an overall graded salary system, in a small number of branches we will employ, on

a trial basis, a method of linking operational efficiency with the total amount of salaries and linking employees' positions with their work achievements and pay and conditions to gradually change the situation of egalitarianism in terms of employees' incomes. As for those who have made extraordinary contributions, we will give them special awards to create a fine environment whereby persons who work hard are awarded and those who are lazy are punished. Employees are encouraged to give full play to their intelligence and wisdom.

We will do a good job in building the contingent of workers and staff members and raise its vocational and political quality. We will make great efforts to provide training with emphasis on on-the-job training. We will popularize knowledge of the administration, management, and vocational operations of commercial banks. Our stress will be placed on raising the managerial and administrative abilities of bank leaders at all levels and of those responsible persons in functional departments. Workers and staff members will be encouraged to raise work standards in the course of practice and study independently to improve their skills. We will train and absorb in a planned way, a number of outstanding management and administrative qualified personnel from commercial banks and also scientific and technical personnel. We will strengthen the building of spiritual civilization in the contingent of workers and staff members, develop education of "four hases" and "four loves," and do a good job in developing professional ethics education for workers and staff members, gradually forming an enterprise culture suited to the work characteristics of the Construction Bank. We will build a contingent of workers and staff members which has a fine social image and great respect for work, unites as one to make progress, and is proficient in professional work.

7. Speeding up the work of adopting more electronic facilities and realizing modernization in operations and managerial and administrative means. Modernization in work operational means and management is a material prerequisite for building a modernized state-owned commercial bank. Attaching importance to the application of new technology in business operations will be a main feature of the development of commercial banks. For this reason, the Construction Bank will concentrate a fairly large part of its financial resources on this project, arouse the enthusiasm of its branches at all levels, and strive to basically achieve electronic transformation of its facilities and business automation by the end of this century. Our present task is to do a good job in planning electronic transformation of the whole bank, setting up rational networks, unifying and standardizing the purchase of hardware and the development of software, speeding up the formation of bank networks in key cities, and proceeding to form a complete operational, administrative, and managerial network for the whole bank to link up, in a planned way, with financial organs abroad.

It will take a comparatively long time to establish a socialist market economic system. It will inevitably be a long process for the Construction Bank to advance toward

being a commercial bank. In the process of reform and development, the Construction Bank must constantly emancipate minds, stick to the principle of seeking truth from facts, and proceed from the reality of our country and the bank itself to make explorations along the path of the development of commercial banks, keep on advancing, and make constant efforts to promote China's modernization.

Association of Foreign-Invested Enterprises Meets
OW0212165594 Beijing XINHUA Domestic Service in Chinese 0805 GMT 30 Nov 94

[By reporter Jiang Jun (1203 6511)]

[FBIS Translated Text] Beijing, 30 Nov (XINHUA)—The ranks of members of the Chinese Association of Foreign-Invested Enterprises are expanding along with the rapid increase of foreign investments in China. The association's membership has reached 50,000 enterprises, more than one half of the foreign-invested enterprises which have gone into operation.

The association held its third membership congress in Beijing from 28 to 30 November. The congress suggested that in the future the association should continue to disseminate China's principles, policies, laws, and relevant regulations on opening to the outside world and on attracting foreign investment; tell the world about China's investment environment; provide services, such as information and consultation, to Chinese and foreign investors; inform the relevant departments of the government of investors' opinions and demands; and safeguard the legitimate rights and interests of member enterprises and investors.

The new leadership of the association was elected at the congress. Gu Mu serves as honorable president of the association, while Wu Yi, Zhou Jiannan, and Wei Yuming serve as its honorary presidents, and Liu Yimin as its president. (Pier Katan) (France), Wu Zhande (Hong Kong), Shen Jianbai (United States), and 15 others serve as honorary council members.

Local branches of the association have been established in 42 provinces, autonomous regions, and municipalities and cities directly under the central government throughout the country.

Commission Reveals High-Tech Trade Figures

HK0212130894 Beijing CHINA DAILY in English 1 Dec 94 p 2

[By Li Yan: "High-Tech Products Set '93 Trade Record"]

[FBIS Transcribed Text] China witnessed a boom in high-tech imports and exports in 1993 the State Science and Technology Commission says.

This is the first time the commission revealed figures concerning China's high-tech imports and exports.

In 1993, the trade volume of high-tech products hit a record \$20.59 billion, up 40 per cent over 1992, said Hu Shengjie, a commission official.

This was 10.5 per cent of the country's entire commodity trade volume of \$195.7 billion last year.

High-tech imports reached \$15.91 billion and exports climbed to \$4.68 billion, with a trade deficit of \$11.23 billion.

The deficit represented an increase of 67.3 per cent over a year ago and resulted in a historic record trade deficit of \$12.19 billion in the country's commodity trade.

Exports of high-tech products increased by \$680 million to hit \$4.68 billion, or 17 per cent more than in 1992.

Among the top 10 high-tech exports computers and telecommunications products topped the list with an export volume of \$2.51 billion. This was 63.8 per cent of all high-tech exports.

These products were followed by life science and electronics products. Combined with computers and telecommunications products, they made up 76.4 per cent of the total export volume.

Compared with 1992, aviation and space technology exports dropped 46 per cent to \$200 million.

Imports of high-tech products increased by \$5.2 billion, or 48.5 per cent over 1992.

Imports of computers and telecommunications products were first with a total volume of \$5.84 billion, up 52.7 per cent over 1992.

Imports of computerized machinery was second with a total volume of \$4.73 billion.

7.8 Million Commercial, Industrial Firms Registered

OW0512105994 Beijing XINHUA in English 1000 GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—A total of 7.887 million industrial and commercial enterprises were registered at administrative offices of industry and commerce at various levels in China by the end of September of this year.

The figure was 701,000 more than that of 1993, according to today's "SHANGHAI SECURITIES NEWS".

The registered funds of the enterprises reached 5155.28 billion yuan (about 644.4 billion U.S. dollars), up by 900 billion yuan.

The biggest increase was in the number of joint ventures with a 59.8 percent increase over the end of last year. Their registered funds was 625.2 billion yuan (about 78 billion U.S. dollars), 70.3 percent up over last year.

The state-owned enterprises also saw a 10.3 percent growth in numbers and a 16.1 percent increase in registered funds, and collective firms recorded a 7.6 percent increase in number and a 19.0 percent increase in registered funds.

New service companies reached 533,000 in the first nine months of this year.

Meanwhile the numbers and registered funds of firms engaging in scientific research and technological development, transport, telecommunications, real estate, public service, consultancy, catering, material supply and storage also increased by a big margin between January and September.

In comparison, industrial enterprises only increased by 6.55 percent in number and 15.66 percent in registered funds.

Bureau Reports on Building Materials Sector

OW0512082794 Beijing XINHUA in English 0813 GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—China has reported fast growth in building materials sector over the past years, according to officials concerned.

According to the officials with the State Bureau of Building Materials, the total output value in the sector in 1993 jumped to 143 billion yuan from 25.67 billion yuan in 1978, a rise of 4.5 times.

The officials said that China's overall cement output increased from 65.23 million tons in 1978 to 356.74 million tons last year, ranking the world first for nine running years.

And the output of plane glass topped 110 million cases in 1993 compared with 17.83 million cases 15 years ago.

In addition, the output of toilet ceramics in 1993 reached 30 million pieces, compared with 2.27 million pieces in 1978, and that of building ceramics increased from 5.45 million square meters to nearly 400 million square meters.

According to the officials, China has now been able to produce more than 20 kinds of cement to meet various needs of construction projects.

It can also produce diversified quality glass products including heat-absorbing and reflecting glass, the officials added.

Industrial Production Value Expected To Grow

HK0512060294 Beijing ZHONGGUO XINWEN SHE in English 0549 GMT 3 Dec 94

[FBIS Transcribed Text] Beijing, December 3 (CNS)—According to the forecast of the economic information center of the State Economic and Trade Commission, the

national industrial production in November would maintain sustainable and fast with growth rate of gross industrial production value expected to be 26 percent or so.

Fast increase in consumption, import and export as well as fixed assets investment promoted rapid growth in industrial production. Relationship between production and market turned for the better and industrial economic efficiency increased steadily. The loss-making enterprises were estimated to make up 43.4 percent of the total at the end of October, showing a declining tendency with month. Stock rate of end products dropped by two percentage points than that between January and September.

Developing momentum in industrial production in November remained strong, energy and raw materials supply basically met the demand for industrial growth.

The economic information center pointed out that following problems needed to be given attentions to in the final stage of this year: First, priority should be given to improving economic efficiency in industrial production to turn loss-making enterprises to making money, limiting production quantity and promoting sales in order to reduce stock and to avoid blind high speed in industrial production. Second, work of purchasing and processing agricultural produce and non-staple products should be well handled so as to reduce loss due to delay of processing. Third, favorable opportunities in foreign trade should be seized to positively expand export, enhancing competitiveness of products and strengthening macro-control over import. Fourth, excessive growth of consumption funds should be strictly restricted to guarantee healthy development of the national economy and to stabilize prices.

Chen Xitong, Others at Ceremony for Sino-Japanese Firm

SK0512020394 Beijing BEIJING RIBAO in Chinese 23 Nov 94 p 1

[Report by Guo Qili (6753 2722 2698): "Shougang-NEC Electronic Company Limited Goes Into Operation"]

[FBIS Translated Text] The extraordinary large-scale integrated circuit production line of the Shougang-NEC [Nippon Electric Corporation] Electronic Company Limited, which is so far of the most advanced technological level and the largest scale in China, was put into full operation on 22 November.

Leading comrades Chen Xitong, Zeng Peiyan, and Hu Qili attended the ceremony marking the beginning of the operation, cut the ribbon, and extended congratulations.

The Shougang-NEC Electronic Company Limited was jointly invested in by the Shoudu Iron and Steel General Company and the NEC and was established in December 1991 with the approval of the Chinese and Japanese Governments. Investment totaled 26 billion Japanese yen, of which 40 percent were made by the Shoudu Iron and Steel General Company and 40 percent by the NEC. With a joint investment term of 20 years, the company is

engaged chiefly in the design, development, production, marketing, and management of large-scale integrated circuits. It is so far the enterprise with the largest investment scale and the most advanced technology in China's electronic industry.

In April this year, the company's latter-process assembling line began batch production of four-megabit dynamic storage devices, linear integrated circuits, color television circuits, etc. The former-process spread production line, which was completed this time, is up to the technological level of six inches and 1.2 micron, and it now produces 5,000 six-inch silicon chips a month. The production capacity is expected to reach 8,000 chips by 1997. This production line chiefly produces over 200 products in the five major categories of storage devices of various types, single-chip microcomputers, gate array circuits, telecommunications circuits, and household electric appliance circuits. Most of these products are urgently demanded in the domestic market, but are not produced in the country. The across-the-board operation of the company indicated that China's microelectronic industry was promoted to another new height.

Hu Qili, minister of electronic industry, and Li Runwu, vice mayor of Beijing Municipality, gave speeches at the ceremony. They extended congratulations on the successful cooperation between China and Japan and the across-the-board operation of the production line of the Shougang-NEC Electronic Company Limited. They also urged the company to take market demand as the guide to produce an endless stream of readily marketable products and make still greater contributions to the development of China's integrated circuits.

Also present at the ceremony were leaders of relevant state departments, the Japanese ambassador to China, and responsible persons of the Shoudu Iron and Steel Company and the NEC, totaling over 200 persons.

U.S. Corporation Head Backs Software Industry
OW0512144394 Beijing XINHUA in English 1340 GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—The Intel Corporation of the U.S., one of the world's largest software producers, is to give strong backing to China's software industry, says Ron Whittier, senior vice-president of the corporation.

Speaking at a seminar on "Intel and China's Software Industry" here today, Whittier said that his corporation will spare no efforts to introduce mature computing techniques to China and promoting their sale in the country in an endeavor to bring China's software industry in line with the global standards for the computer business.

In September this year Intel initiated the Intel Architecture Development Ltd (IADL), the corporation's first Asian branch, in Shanghai, the country's biggest industrial and financial center.

The IADL will devote itself to introducing the world's latest computing techniques to China and assisting Chinese software producers in making immediate and efficient use of them, said Deng Yanping, general manager of the IADL.

So far, the IADL has formed business ties with over 100 Chinese software production companies.

Meanwhile, the IADL announced today the establishment of the Shanghai-based Intel Software Support Center, which is to offer a large variety of co-operative services to Chinese producers who are developing software on the basis of Intel's techniques, widely acknowledged as the world's computing leader.

The services, beginning February 1 1995, will include provision of technical support, consultative information, discounted hardware and software products as well as training of technical personnel.

In addition, the IADL unveiled a plan to sponsor a China software competition, together with the Chinese Association of the Software Industry next year.

Executives from Intel noted that China's software industry is now in its infant stage, but has great development potential.

State Industries Help Ease Unemployment Problem

HK0512075194 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Dec 94 p 8

[By Li Yan: "State Firms Add 815,000 to Payrolls"]

[FBIS Transcribed Text] China's employment registered a small rise in the first 10 months of this year with state industry payrolls growing by 815,000. Urban wages kept surging as a result of double-digit inflation.

Employment by the end of October stood at 148.98 million, up from 148.08 million at the end of September, according to the latest State Statistics Bureau report.

The figures include all nonagricultural workers in China.

State industries employed 109.809 million people by the end of October, the report said. Of the workers in state industries, 101.67 million held permanent jobs, up 67,000 from the September-end figure. Those working under contracts increased 35,000 to 25.981 million. The remaining 8.139 million people held temporary jobs, about 748,000 more than at the end of September.

Collective enterprises raised payrolls by 8,000 people to 33.487 million, while foreign and private firms added 80,000 people to their total employment, which stood at 5.687 million at the end of October.

Meanwhile, wages paid out in the first 10 months totalled 464.56 billion yuan (\$54.64 billion), 30.7 percent more than during the same period last year.

Of that total, state industries paid 363.89 billion yuan (\$42.81 billion), up 30.6 percent. Collective enterprises paid 79.4 billion yuan (\$9.34 billion), up 16.0 percent. And foreign-funded and private firms paid 25.72 billion yuan (\$3.03 billion), up a hefty 110.6 percent.

In another development, October's price index on retail sales—the country's most important inflation indicator—rose by 25.2 percent over the level a year ago.

The cost-of-living index gained 27.7 percent in October.

The index for agricultural products transactions rose 25.4 percent in the month.

Tourism Conference Told Earnings Jump in '94

OW0412140394 Beijing XINHUA in English 1233 GMT 4 Dec 94

[FBIS Transcribed Text] Guangzhou, December 4 (XINHUA)—China's tourism industry will score a 50 percent increase in earnings this year over 1993, according to a national tourism conference now in session here.

The earnings are expected to top seven billion dollars this year, according to a delegate to the conference being sponsored by the National Tourism Administration.

Statistics released by the administration during the conference showed that earnings of the tourism industry came to 3.39 billion dollars in the first half of 1994.

China hosted 32.27 million overseas tourists in the first three quarters of this year.

The administration predicted that China will receive 43 million foreign visitors for the whole of 1994.

The number of domestic tourists is expected to reach 450 million in 1994, up nearly ten percent over 1993.

Liu Yi, director of the administration, said that earnings from domestic tourists are expected to climb 10 percent this year to 95 million yuan.

Industry Utilizes Foreign Capital

HK0512154494 Beijing ZHONGGUO XINWEN SHE in English 1244 GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (CNS)—According to China's National Tourism Administration, tourist industry of the country has achieved a remarkable success in utilizing foreign capital and thus will have good prospects.

China has strengthened its macro economic regulation since the second half of 1993. Under the circumstances, however, a growth trend is still seen in tourism, said Liu Yi, director of the State Tourism Administration, at a meeting attended by directors of China's tourist bureaus in Zhongshan municipality, Guangdong.

First of all, there is a brilliant result in attracting foreign investment, with 87 contracts, agreements or letters of

intent being signed in trade fairs held in China's scenic spots or hotels in 1994. A total of RMB [renminbi] 2.048 billion were contracted, of which foreign investment accounted for US\$ 1.518 billion. These projects covered different fields such as traveling, sightseeing, accommodation, food, shopping, entertainment, etc, and foreign investors continue to develop scenic spots and basic facilities.

Secondly, there is a further development in the construction of tourist areas at both the state and the provincial levels. By the end of June this year, there were 138 projects for either building basic facilities or running business in 11 tourist areas of the state level, involving a total investment of US\$ 2.6 billion.

Thirdly, there is a remarkable success in utilizing foreign funds. In the first ten months of this year, there were 64 newly approved projects for the development of hotels and guesthouses. These projects, either jointly funded or worked in a cooperative way between China and foreign investors, amounted to a total investment of US\$ 1.64 billion, of which US\$ 1.04 billion were foreign capital.

Besides, China has opened ten new ports and increased nine international aviation routes this year.

According to Mr. Liu, China's tourist industry will create a foreign exchange of US\$ 7 billion this year, an increase of 49.5 percent over last year.

In calculating national income on tourism, the State Statistical Bureau and the State Tourism Administration have adopted internationally practiced statistical calculation standard and the method of random survey since this year. Therefore among the growth of 50 percent this year, 20 percent is actual increase while the remaining 30 percent is to make up for the shortcomings in statistical calculation standard and methods in the past, Mr. Liu explained.

Official Views Tourist Safety

HK0512153294 Beijing ZHONGGUO XINWEN SHE in English 1224 GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (CNS)—The Director of the National Tourism Administration Mr. Liu Yi speaking at a meeting of directors of all tourist bureaus held in Zhongshan, Guangdong Province pointed out that safety was the very lifeline for tourism and that no safety amounted to no tourism.

So long as a place sees social stability, good public order and sound service, travellers would love to go there, Mr. Liu said. On the contrary, any travel promotion activity would fail to draw tourists if the above mentioned conditions are not in place.

The tourist director said that China was now in a critical state in terms of travel safety. No effective measures have been adopted for safety of travellers in some places while access to information on incidents are blocked in particular places.

Mr. Liu was convinced that it was very important to find out and settle various kinds of hidden trouble which would result in incidents including fires and food poisoning. Violent crime, theft as well as traffic accidents have also to be prevented, according to the director, in a bid to guarantee personal and property safety of domestic and overseas tourists. Sabotage activities posing a threat to the national security as well as crime such as prostitution, gambling and drug addiction have to be prevented.

The tourist department will strengthen administration of various scenic spots in a comprehensive way next year. Theft, commercial cheating, hooliganism and other illegal practices will be seriously dealt with. Safety check will be carried out on full scale on facilities including cableways, bridges, roads, pleasure boats and vehicles.

Money From Overseas Sought for Three Gorges Dam

OW0612074994 Beijing XINHUA in English 0727
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Research is being done on raising money from overseas for the gigantic Three Gorges dam construction project and a particular program is expected to be put into effect next year.

The department involved estimated that within the next decade, China will need more than three billion U.S. dollars in overseas funds to buy necessary equipment for the construction project.

Official sources said that a Chinese Government department is busy right now with research work and is holding discussions about international money raising, including issuing overseas bonds, commercial foreign loans, and export credits.

Many international financial institutions have taken part in the research work, with some showing their intentions to undertake the money raising or to act as advisers for overseas fund raising.

Institutions include the Morgan Group of the U.S. and Nomura Securities Corp. of Japan. On the other hand, according to sources, China does not want to be burdened with debts too early.

As far as the means of raising the money goes, China will choose the most preferable and economical one based on future quotations in the international financial market, they said.

Yunnan World's Largest Polio Pill Producer

OW0612081494 Beijing XINHUA in English 0654
GMT 6 Dec 94

[FBIS Transcribed Text] Kunming, December 6 (XINHUA)—Southwest China's Yunnan Province has now become the world's largest producer of oral polio medicine.

According to local health officials, the Kunming Institute of Medicine and Biology under the Chinese Academy of Medical Sciences, is able to produce oral polio pills for 260 million children a year. China needs vaccine for about 300 million kids.

The institute, established in 1958, began to produce oral polio pills in 1960 and is one of only two medical and biological institutes for producing such pills in China. The other is in Beijing, and has the capacity to produce enough pills to supply 40 to 50 million children a year.

In the 34 years of producing the oral medicine, the Kunming institute has supplied enough for 3.6 billion children in the northwest, southwest, central and southern parts of China. Because of this, it has been called the "patron saint of Chinese children" by the World Health Organization.

Li Zhiyong, deputy head of the Science and Research Division of the institute, attributed the achievement to its unique environmental advantage in breeding animals.

At present, the institute raises more than 3,500 rhesus monkeys, which have proven useful for the institute's study.

The second stage of a nationwide poliomyelitis immunization drive started Monday.

Steel Import Contracts With Japan Limited

HK0212130694 Beijing CHINA DAILY in English 1
Dec 94 p 2

[By Wang Yong: "State Bids End of Steel Import War"]

[FBIS Transcribed Text] China is beefing up the management of steel imports to restore market orders much hampered by arbitrary price wars.

According to a latest decision made by China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters, only one national company can negotiate with Japan on steel imports.

The sole agent is China National Metals and Minerals Import and Export Corp (Minmetals), which has negotiated with the six largest Japanese steel manufacturers over the past 22 years.

"This practice of common negotiations has proved beneficial to both sides," said a resolution from the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters, a nongovernmental organization which co-ordinates the country's steel trade.

The chamber stressed that other domestic companies cannot negotiate with Japanese exporters.

The decision is believed by economists to be able to restore China's steel import orders, which has run out of control mainly due to the rise of too many import channels.

It is estimated that more than 3,000 domestic enterprises can import steel. Since China abolished license management on steel import, many enterprises have engaged in blind imports, by hefting purchasing prices and chopping sales prices at home.

The first ten months of this year registered 18.12 million tons of steel imports, which was still in excess of the actual demand.

"Excessive imports have led to a huge increase in stock-piles and a sluggish domestic sales price," economists pointed out.

They predicted that the situation would extend into the first half of next year. By then, China's steel imports would be greatly reduced, but the market price level would not rebound.

Economists said the current unstable scenario in steel imports has caused great difficulty for Chinese steel traders and manufacturers alike. "It has also dealt a negative blow to the development of national economy."

However, they said the Chinese Government will not continue to wink at the arbitrary imports of steel. "Steel is an important raw material for China's national economy, and we must not allow any trading chaos."

Although steel trade is not monopolized in China the government and certain non-governmental organizations concerned have taken a series of measures since the beginning of this year to strengthen macro-level management on the steel import volume.

The measures are expected to revitalize China's sluggish steel market and manufacturers in the quandary.

China Daily has learnt that the government will continue to step up management of the steel import orders to ensure a healthy development of the economy.

China imported more than 30 million tons of steel last year. This was in excess of the real market demand.

The abnormal import momentum was caused mainly by local companies which were locked into arbitrary imports at unreasonably high prices.

"The messy imports will be no good for either China or Japan," said sources from the chamber of commerce.

Price of Nonferrous Metals Rise Sharply This Year

HK0412082794 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 4-10 Dec 94 p 1

[By Pei Jianfeng: "Prices For Metals On The Way Up"]

[FBIS Transcribed Text] Prices of nonferrous metals have been rising sharply on the domestic market this year.

Compared with January, the average prices of major nonferrous metals in October recorded marked growth:

copper, 28 per cent; aluminium, 39 per cent; lead, 43.3 per cent; zinc, 14.8 per cent; tin, 10.2 per cent and nickel 25.8 per cent.

The world market for nonferrous metals is recovering and forcing prices to climb, according to experts from Antaika Information Co, a research institute under the China National Nonferrous Metals Industry Corp.

The experts also noted the domestic market is now linked with the world market: domestic companies can export and import nonferrous metals according to their needs.

The rapid increase of production costs caused by more expensive raw materials has also boosted prices of nonferrous metals on the domestic market.

However, there are also some speculative factors that pushed prices of copper and aluminium up steeply last month, experts said.

The futures market is not mature in China and the government stopped futures trading in rolled steel, coal and sugar several months ago.

But large quantities of speculative capital turned to trading nonferrous metals, forcing prices up unreasonably.

The average price of copper in November was about 26,000 yuan (\$3,058) per ton on the domestic market, compared with 18,600 yuan (\$2,188) in January.

Last year the copper price was low on the world market and China imported more than 500,000 tons. This year, the copper price has risen sharply on the world market.

It has now become difficult for China to import the metal.

In the first 10 months of this year, China imported 315,100 tons of copper, down 19.5 per cent from the same period last year. But exports of copper hit 54,500 tons during the same period, up 43.3 per cent.

China's output of copper reached 570,000 tons in the first 10 months, down 3.2 per cent from the corresponding period last year.

The total copper output this year is expected to reach 700,000 tons, a bit lower than the production plan of 720,000 tons.

Experts said the total copper consumption this year will fall about 10 per cent from last year because many enterprises have reduced their consumption due to higher prices.

The domestic demand for aluminium is booming. But the supply and demand is roughly balanced this year because of the rapid growth in production.

The output of aluminium reached 1.18 million tons in the first 10 months, up 16.75 per cent.

The total output is expected to reach 1.45 million tons this year and domestic demand stands at about 1.4 million tons, experts said.

During the first 10 months, China imported 242,700 tons of aluminium, up 7 per cent, and exported 115,200 tons, up 55.5 per cent.

Supply of lead and zinc has exceeded demand on the domestic market. Prices depend on how much China exports, experts said.

In the first 10 months, China exported 122,700 tons of lead and 187,700 tons of zinc, up 86.2 per cent and 62.8 per cent respectively.

Textiles More Than 30 Percent of Exports

HK0212131094 Beijing CHINA DAILY in English 2
Dec 94 p 2

[By Qiu Qi: "Textiles Make Up 30 Percent of Exports"]

[FBIS Transcribed Text] During the first 10 months of this year, China's textile exports continued to grow by a large margin and, for the first time, accounted for more than 30 per cent of the country's total exports.

Between January and October, textile export volume reached \$27.1 billion, or 30.2 per cent of the country's total.

By comparison, China exported \$26.1 billion in textile products last year. This was 28.4 percent of China's total exports.

The increase may be attributed to the expanding export volume of cotton yarn in the past months, the China National Textile Council said yesterday.

The rising price of cotton yarn in the world market also raises the export price of China's cotton products, the council said.

Garments are the biggest export items among textile products, and account for nearly 63 per cent of the total.

Hong Kong is the mainland's largest textile trade partner. Japan, the United States, South Korea and Europe are other major importers of Chinese textile products.

Compared with a 31.4 per cent increase in exports in the 10-month period over the same period last year, the output value of the textile industry is still growing slowly.

In the first nine months of the year, the industry's output value hit 199.1 billion yuan (\$23.4 billion), rising 4.7 per cent over the same period last year.

The output of products including synthetic fibre, wool fabric and silk products was higher than the same period last year, while the output of products such as cotton yarn, cloth and garments declined.

Eliminating the production of cotton yarn has been a major task of the textile industry this year, the council indicated at a national textile conference held in Beijing this August.

China makes too much cotton yarn, which is mostly produced with outdated equipment, said the council.

A long-term strategy for China's textile industry will be to cut excessive production and eliminate obsolete cotton spindles.

At the conference, the council set a cotton yarn production goal of 1.54 million tons between August and December this year.

In September, China produced 315,000 tons of cotton yarn, down 17.28 per cent from the same month last year.

Despite the decrease, the month's output still exceeded the council's goal by 4.81 per cent.

Many textile enterprises now suffer from low profits caused by raw material price hikes and small market shares. Their shift to other sectors or reducing production capacity may ease the country's materials shortage, mainly the cotton.

Sales increased in September for three kinds of textile products including yarn, wool fabric and silk. The sales value of wool fabric rose more than 30 per cent over the same period last year.

During the nine-month period, more than 90 per cent of textile products were sold to domestic market.

Restaurants Prosper With Rapid Growth of Economy

OW0512101494 Beijing XINHUA in English 0853
GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—The rapid growth of China's economy has led to the growth of numerous restaurants which provide convenience in catering to people's needs.

There are now more than 1.8 million restaurants around the country, generating some 14 billion yuan in business during the first nine months of this year, 16 percent in volume over the same period of last year, said an official with the Ministry of Internal Trade.

Owners have seen their profits soar, with one billion yuan earned from January to September this year, ten percent higher than in the same period of last year, according to the official in charge of the service bureau.

Many wage earners now prefer to take their meals in restaurants which serve inexpensive but substantial dishes. The restaurants in turn lower the price of meals, sell cooked food, quick-frozen or semi-prepared food, and fast-food, with some of them providing delivery service for the convenience of the customers.

Other service businesses, such as hotels, beauty parlors and hair dressers, laundry and dry cleaning services, and stalls for repairing daily-use articles, are also booming this year. Having reached 1.8 million in number, they will increase at a rate of seven percent per year, according to the official.

The improvement in people's living conditions have prompted the service sector.

In the first nine months of this year, about 6.3 billion yuan worth of business has been created by service businesses engaged in moving household goods, household decoration, public bathhouses, body building, and wedding services, the last of which is particularly welcome in big cities for its beautifully-arranged comprehensive service, including clothing, photo-taking, flowers, wedding banquet, and honeymoon travel.

Petroleum Journal Says Offshore Production Up
OW0312024294 Beijing XINHUA in English 0204 GMT 3 Dec 94

[FBIS Transcribed Text] Beijing, December 3 (XINHUA)—The Nanhai Eastern Petroleum Corporation (CNOOC) [acronym as received] produced 3.246 million tons of oil from January to November 20 this year, up from the 2.04 million tons for the whole of last year, according to "CHINA PETROLEUM JOURNAL."

The professional newspaper said the corporation's output is expected to reach 3.6 million tons by the end of this year, accounting for more than one half of the country's total offshore oil output.

Founded in 1983, the corporation is one of the four local companies under the China National Offshore Oil Corporation and it is in charge of the exploration of oil and natural gas in the East China Sea.

The corporation has concluded 24 contracts and six agreements with 33 foreign companies involving 1.4 billion U.S. dollars of foreign investment so far.

It has delivered 740 million yuan to the state in taxes since it went into operation.

Giant Oil Quay at Ningbo Receives 1st Tankers
OW0512145194 Beijing XINHUA in English 1410 GMT 5 Dec 94

[FBIS Transcribed Text] Ningbo, December 5 (XINHUA)—China received its first foreign oil tanker with a capacity of over 250,000 dwt [deadweight tons] when an Iranian ship came to unload 190,000 tons of crude oil in Ningbo port, in east China's Zhejiang Province, early this month.

The handling capacity of Ningbo's crude oil dock has been raised to 15 million tons of crude oil.

The oil dock was expanded from an old wharf by the Zhenhai Oil Refinery Petrochemicals Co. Ltd, with an investment of about 20 million yuan.

The original wharf had received 167 huge Chinese and foreign oil tankers and handled over ten million tons of crude oil since it was put into operation in December 1990.

One of the 22 enterprises China has selected for overseas listings, the company was listed on the Hong Kong stock exchange December 2 this year.

Scheduled to process 15 million tons of oil by the end of the century, the company will become the second-largest oil processor in Asia.

With the highest economic efficiency in China's petrochemical industry, the Zhenhai company has processed foreign oil since the mid-1980s.

Power Production To Top 910 Billion Kwh in 1994
OW0612031094 Beijing XINHUA in English 0110 GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—China's electric power production is expected to top 910 billion kwh this year, up ten percent from last year.

According to the Ministry of the Power Industry today, power production has so far kept a steady pace. Over the past three quarters of this year gross power production across the country stood at 664.9 billion kwh.

Of the total, hydropower produced 123.2 billion kwh, thermal power, 531.8 billion and nuclear power, 9.8 billion, the ministry said.

It also noted a continued decrease in coal consumption for power generation. In the January-September period, the ministry said, coal consumption dropped to 413.71 g per kwh, 2.01 g less than in the same period of last year.

China hopes to lower coal consumption per kwh by another 50 g by the end of this century.

The ministry predicted that the coming months will see a rise in power demand by enterprises due to the sustained, rapid and healthy development of the national economy.

It said power cuts seem inevitable toward the end of this year, and the disequilibrium in power supply and demand is to remain all over the country.

In the southern provinces, coastal areas and industrialized regions the demand for power will grow sharply, further aggravating the supply-demand contradiction, the ministry said.

For the southwestern and southern power networks in which hydropower takes a comparatively bigger share, however, power shortages will reemerge as the winter diminishes the water volume in the rivers, it added.

In the northern, northeastern and northwestern electric power networks, it added, the extra load imposed for heat generation will also affect supplies of electricity.

Therefore, the ministry has ordered its power networks to get prepared for peak loads, ensure power supplies to major consumers and reduce the losses that might be caused by power cuts.

Statistics Bureau on Nationwide Urbanization

OW0612030094 Beijing XINHUA in English 0126
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—The number of Chinese cities doubled over the past decade to 570, as a result of a quickening urbanization of the country.

Figures from the State Statistics Bureau show that the number of cities has been growing at annual speed of 6.6 percent, from some 300 in 1984.

The number of people living in the cities proper and their suburban areas rose to 35.7 percent of the nation's total in 1993 from 18.3 percent in 1984, while the urban population increased by five percentage points to 15 percent of China's overall population.

New cities mushroomed the fastest in the eastern coastal areas, with the number of newly-established cities reaching 142. Eighty-eight new cities emerged in the central areas and 40 in the west.

The eastern part has the highest density of cities—with one for every 5,200 sq km, whereas in the western part there is only one city for an average of 50,000 sq km of land.

Most of the newly established cities are medium-sized and small ones, which have grown up on the basis of county towns or other local towns.

There are now 159 medium-sized cities and 343 small cities with populations less than 100,000 each. The number of large cities with populations topping 500,000 each has reached 68.

Record Spending on Water Conservancy Projects

HK0512154794 Beijing ZHONGGUO XINWEN SHE
in English 1214 GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (CNS)—China will spend a vast sum of money on water conservancy projects between this winter and next spring, 45 percentage points higher than the historical record spending on this sector, the Vice Minister of Water Resources Mr. Zhou Wenzhi said today.

Direct damage valued at RMB [renminbi] 160 billion from floods and drought disasters across China this year highlighted such problems as inadequacy of water conservancy facilities and too low the standard involved in these facilities to meet the actual needs. Other problems including aging water conservancy facilities and those in disrepair state as well as backwardness seen in construction of irrigation works ran counter the national economic development.

As China is a large agricultural country, the irrigation system is regarded as an artery for agriculture. It comes a consensus between the Chinese government and its people

that a strengthened input into the irrigation works and accelerated construction of water conservancy facilities were a must.

Special bodies have been set up in 29 provinces, municipalities and autonomous regions and headed by leading officials including Party committee secretaries in order to carry out the water conservancy project set for this winter and next spring. The project is integrated with agricultural construction, rural as well as regional economic development with major help given to remote and impoverished mountainous regions. The project is closely related to improvement of ecological environment in urban area while flood prevention and sludge clearing in rivers in Beijing, Tianjin and Shanghai are also included in the water conservancy works. The project is also combined with the restructuring of the water conservancy system. Shareholding practice will be employed in rural water conservancy works in some areas.

The big project includes work involving 8.5 billion cubic metres of earth and stone and realization of an increase in 16 million mu of irrigated areas and in 12 million mu of area free from waterlogging. Soil erosion covering a total of 13,000 sq. kilometres will be tackled and problem of drinking water affecting 12 million residents and seven million pieces of domestic animals will be solved. About 53 reservoirs with which faults were found will be reinforced. Hydropower stations will be built with a gross installed capacity of 1.5 million kilowatts.

Beijing Expects Stable Sugar Market in 1995

OW0612075994 Beijing XINHUA in English 0723
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—China will have enough sugar to meet its market demand next year, and the prices for sugar will fluctuate only within limits set by the government, the "CHINA FOOD NEWSPAPER" reported.

According to the China Sugar Industry Association, China will produce six million tons of sugar in the coming sugar-extracting season, or about the same amount as last season, putting a halt to three straight years of decreasing output.

The expected output, coupled with stored and imported sugar, will meet the market demand and end the price hike of sugar because of shortages.

Because of lowered prices for sugar crops and delayed payment by government agencies to farmers for beet and cane sugar, the country witnessed a continuous decline in sugar output during the 1992-94 period.

To reverse the decline, the country has expanded the areas growing sugar crops, invested more money in the production of sugar, and strengthened the management of spot markets of sugar.

The State Planning Commission has also issued regulations for keeping a tight grip on the price of sugar.

East Region**Fujian Leaders Inspect Income Tax Collection***HK0612092194 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 3 Dec 94*

[FBIS Translated Excerpt] According to the state taxation regulations, personal income tax returns should be handed in to the authorities on 3 December. In the morning, provincial leaders Jia Qinglin, Chen Mingyi, You Dexing, He Shaochuan, Yang Jinsheng, Zhao Xuemin, Huang Wenlin, Xi Jinping, Zhu Changpei, Shi Xingmou, Zhang Jiakun, Huang Liangtuan, Tong Wanheng, and Pan Xincheng came to various personal income tax return collection points set up by the Fuzhou branch of the provincial local taxation bureau. Governor Chen Mingyi answered reporters' questions.

[Begin Chen recording] It is every citizen's duty to pay taxes according to the law. The tax rate is set at a reasonable level. It is not high, but all people should fulfill their tax-paying duty according to the taxation regulations. I think that paying personal income taxes is an important thing. This is a major source of local revenue, and it also can mitigate the unfairness in the distribution of wealth in society. This also can help control price increases, and control the consumption fund in society. The local governments should strengthen leadership in this regard. [end recording] [passage omitted]

Fujian Relays Spirit of Central Economic Conference*HK0612074894 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 3 Dec 94*

[FBIS Translated Text] On 3 December, the standing committee of the provincial party committee held an enlarged meeting to relay and study the spirit of the central economic work conference and to work out measures for its implementation. Jia Qinglin, secretary of the provincial party committee, presided over the meeting and made a speech. Chen Mingyi, deputy secretary of the provincial party committee and provincial governor, relayed the spirit of the central economic work conference and expressed his opinion on relaying and implementing the spirit of the central meeting.

The meeting held: Shortly after the Fourth Plenary Session of the 14th CPC Central Committee, the central authorities held the economic work conference. This fully showed that the central leading body consistently carried out the constant policy of using both hands to grasp the work, with both hands being tough. The central meeting summed up reform and development in our country over the past year; scientifically, comprehensively, and realistically analyzed the current situation; unified people's thinking; considered and decided the guidelines for the economic work and the main tasks and policies in 1995; grasped the key issues in the current economic life; and enabled us to more clearly understand the guidelines for making further advances, the

targets, and the tasks and to increase our confidence in winning new victories and creating a new situation.

The meeting pointed out: At present, like other parts of the country, Fujian is facing a good economic situation. In order to properly fulfill the tasks in next year's economic work, it is necessary to conscientiously study and understand the spirit of the central economic work conference and to bring thinking into line with the spirit of the central economic work conference. The policies and principles for economic work set forth by the central authorities must be resolutely put into practice. The locality must obey the central authorities; the local work must be subordinate to the national interests; and the immediate interests should be subordinate to the long-term interests. It is also necessary to grasp the favorable timing, give play to the local advantages, and advance Fujian's economic construction onto a new level.

The meeting required that the economic work in all fields in the last month of this year be done properly. In particular, it is necessary to properly enforce financial discipline, collect taxes, arrange commodity supply in the holiday seasons, and take good care of the livelihood of workers in enterprises encountering difficulties in their operation.

The meeting decided to hold a provincial economic work conference in the near future to further relay the spirit of the central economic work conference, to analyze the situation, to unify people's thinking, and to make comprehensive arrangements for the economic work in 1995.

Fujian Controls Investment in Capital Construction*HK0512074694 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 4 Dec 94*

[FBIS Translated Text] This province has exercised effective control over investment in fixed assets, strictly controlled the starting of new projects, and made great efforts to promote infrastructural construction in the fields of energy production and transportation. This has guaranteed the sustained, rapid, and healthy development of the economy throughout the province.

Between January and October this year, state-owned institutions throughout Fujian completed 18.52 billion yuan of investment in fixed assets, and the increase rate was 60.9 percentage points from last year's figure. This year, capital construction in Fujian was focused on the construction of energy production facilities, mainly power plants, and transportation facilities, mainly highways. In the first 10 months of the year, the investment in the energy and transportation industries amounted to 6.65 billion yuan, accounting for 48.2 percent of the province's total investment in fixed assets. By the end of September, the capacity of new power generating facilities which had been put into operation reached 640,000 kw. In the first 10 months, investment in highway construction continued to increase.

It is expected that this year's total investment in this field may reach 3 billion yuan. The total length of new highways may reach 1,200 km.

This year, capital investment in this province also had following characteristics: The starting of small projects was brought under effective control. The proportion of funds raised by the users themselves and from external investors increased. The investment in the real estate industry was reduced substantially.

Employment Rate in Shandong Kept Under 3 Percent

OW0512144294 Beijing XINHUA in English 1336
GMT 5 Dec 94

[FBIS Transcribed Text] Ji'nan, December 5 (XINHUA)—The urban unemployment rate has been kept under three percent in east China's Shandong Province.

Officials from the provincial labor department said that, with the joint efforts of the local government and the workers themselves, some 3.40 million urban jobless people have found jobs since 1980.

"That has helped the economic expansion of Shandong and brought about social stability," said an official.

The jobless used to be assigned jobs at state- or collectively-owned enterprises before 1980. However, the booming private sector has attracted more than half of the jobless people in the past decade.

In 1993 the number of urban workers in Shandong reached 43.79 million, up 452,000 from the previous year.

In addition, various job training courses and unemployment insurance systems have been established in the province to help the jobless people, officials said.

Shanghai To Allow Foreign Banks to Handle Yuan in 1995

OW0512130294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Dec 94 Morning Edition p 1

[By Ryuji Sato]

[FBIS Translated Text] Shanghai, 4 Dec—The Chinese Government will allow foreign financial institutes in Shanghai to deal in Renminbi [people's currency, yuan] from the beginning of next year, Shanghai Mayor Huang Ju said on 4 December. Huang disclosed the decision to visiting delegation of the Japan Association for the Promotion of International Trade (delegation leader: Representative Yoshio Sakurachi).

This is the first time a Chinese Government official has clarified when and in which area foreign banks will be allowed to deal in yuan. Japan and the United States have been urging China to open yuan-denominated operations to foreign banks. Following the government's decision, China's financial market will fully enter into international competition.

Mayor Huang Ju stressed that Shanghai is getting ready to function as Asia's major financial market, and said: "As an experimental measure, foreign banks will be allowed to engage in yuan-denominated banking operations in Shanghai beginning next year." At present, 24 foreign banks, including eight Japanese, have branch offices in Shanghai. The Chinese Government is expected to allow some of them to deal in yuan.

With the liberalization of yuan-denominated operations, approved foreign banks will be able to promote full-fledged financial business in China by extending yuan-denominated loans to Chinese and foreign companies.

Foreign Funds Promote Shanghai's Industrial Growth

OW0612110994 Beijing XINHUA in English 1013
GMT 6 Dec 94

[FBIS Transcribed Text] Shanghai, December 6 (XINHUA)—Foreign-funded enterprises are playing an important role in promoting the industrial development of Shanghai.

According to Zhang Jiabao, deputy director of the Shanghai Economic Committee, the municipality now has 7,100 foreign-funded industrial projects, with contracts involving 8.49 billion U.S. dollars in foreign investment.

A total of 3,400 of the 7,100, which make up 70 percent of Shanghai's total, have begun operation, with most of them producing products that are technology-intensive, export-oriented with high added value. The volume of sales from foreign-funded industrial enterprises in the city now accounts for 22 percent of the city's total sales of industrial products.

The deputy director said the emergence of large amounts of foreign funds in the industrial sector has not only accelerated the change in industrial product mix and technical structure, but also helped the formation of new pillar industries for the city, such as automotive, telecommunications, and microelectronics. The auto industry alone created 31 billion yuan in output value last year.

So far, the municipality has a total of 10,000 foreign-funded enterprises, of which, 3,255 were approved in the first nine months of this year, with contracts involving 8.42 billion U.S. dollars, showing marked increases over that of last year.

Some 151 transnational companies have come to invest in the city, said the official, adding that his committee and the city's foreign investment work committee jointly sponsored an exhibition which started on Monday exhibiting more than 1,000 products made by foreign-funded enterprises from the city and from some other cities in coastal areas and central China.

Report on Inauguration of Shanghai 'News' Station

OW0612014494 Shanghai People's Radio Network in Mandarin 2300 GMT 26 Nov 94

[From the "990 Morning News" program]

[FBIS Translated Text] The country's first news radio station [xin wen tai] in the real sense of the word will make its debut in Shanghai tomorrow [28 November].

This major step in reform taken by the Shanghai People's Broadcasting Station in the direction of establishing a news-oriented station has drawn the attention of radio stations all over the country. On the first day of the news program tomorrow, the Central People's Broadcasting Station [CPBS] and the Shanghai station will jointly broadcast a news program at 0700 hours [2300 GMT].

A notable feature of the reorganization [gai ban 2395 3652] of the news station on 990 kHz is the station's vigorous efforts to expand news programming to adapt to the pace of modern life and the information needs of the broad masses of listeners. While preserving the framework of news on the hour, the station will add [words indistinct] news programs [words indistinct] listeners. After the reorganization, the "Morning News at 990 kHz" [2300 GMT], which has long been the dominant morning news program in Shanghai, will continue as the leading news program. It will be followed by a new "Eight O'clock News" [0000 GMT] program that consists of domestic and international news, press highlights, local news, news probes, sports, comments, and other columns. The "Evening News" at 1800 hours [1000 GMT] and the "Nightly News" at 2200 hours [1400 GMT]—each lasting an hour—will report in great detail the latest news, highlights of evening papers, listeners' responses to social issues, important international news, and commentaries on the day's major international events, followed—as an extension of the news programs—by a special topic "News Interview" that features timely responses by people of all walks of life to news events. "Global Channels" [huan qiu pin dao] and "Look Out Through the Press" [bao hai liao wang] will round up worthy news of all kinds around the globe.

In the new experiment of reducing the scope of programming [bian guang bo wei zhai bo], the Shanghai Radio Station's reorganized 990 kHz news station will, in addition to retaining the children's programs already on schedule, start several programs targeted at special audiences. For example, there will be "Square For the Elderly" that caters to older listeners, "At Middle Age" for middle-aged listeners, and "Cultural Gallery" for younger listeners. There is also "Modern Countryside" for rural areas and "In and Out of Court" that deals with the legal system. Such popular programs as "Citizens and Society," "Counselling with Noted Doctors," "Sports News Over the Air" and "Midnight Galaxy" will remain on 990 kHz and retain their flavor.

The reorganization of 990 kHz represents a major step taken by Shanghai Radio Station to deepen reform [shen hua gai ge] in establishing a series of stations. The reorganization of 990 kHz will be followed in shortly by the inauguration of a second music station specializing in CD music on 105.7 MHz, serving as a sister station for the other music transmitter on 103.7 MHz. A drama cable station, a joint venture under preparation between the

Shanghai Radio Station and Cable TV Station, is also expected to make its debut very soon.

Officials on 'News' Station

OW0612012694 Shanghai People's Radio Network in Mandarin 2300 GMT 26 Nov 94

[From the "990 Morning News" program]

[FBIS Translated Text] Listeners, starting with the "990 Morning News" program tomorrow [28 November], on 990 kHz this station will start a new lineup of programs [quan xin ban mian] in line with the goal of making it a news-oriented station [xin wen li tai]. For the inaugural morning news program on the first day, this station and the Central People's Broadcasting Station [CPBS] will jointly air a special news hookup program tomorrow.

Our station reporter Zhou Dou made a special trip to Beijing to interview the CPBS officials. Here is the report he filed yesterday [26 November]:

[Begin recording] [Zhou] Officials concerned at CPBS told me that jointly airing a special news hookup program with the Shanghai Radio Station is an unprecedented event in the station's decades of history. It is indeed an unusual one. Wu Zhanfen, deputy director of CPBS, told us:

[Wu Zhanfen] It is also a good opportunity for CPBS to work with the Shanghai station on a program. The state-owned CPBS has, as far as I know, never jointly broadcast news with a local station in its many decades of existence. The idea of working together with Shanghai came up because we know that Shanghai's radio circles are ahead of others in the reform of [words indistinct]. They have provided many good experiences for other localities, both in reform of the style and contents of programming. It has many experiences that CPBS can draw on. Our original objective for the project was to produce a good program that would bring into play the strong points of the central and local stations, and have a general as well as specific impact. We would like to see more central media units' experiencing going to localities, and more of the fresh and lively ideas of the localities spread throughout the whole country. I am thinking about playing the role of a bridge. I believe this is a good experiment.

[Zhou] People at CPBS, from the director to comrades in the news center, editorial room, studio, and technical departments have been very cooperative. The CPBS director and deputy directors stressed several times at station meetings that no effort should be spared to make the news hookup program with the Shanghai station a success.

Wang Yanqing, head of the editorial room, is the project coordinator. He said enthusiastically: [Wang Yanqing] For us, the news hookup project is a cooperation [word indistinct] with the Shanghai station. The program is, in a certain sense, congratulations from us to the Shanghai People's Broadcasting Station, which, starting from 28 November, will inaugurate a reorganized, brand-new news

station [xin wen tai] on 990 kHz. Comrades of the Shanghai station told us that it will be on air 24-hour a day, and there are lots of news and news-feature programs on it. We believe that such a program will be a huge stimulus for CPBS. [end recording]

In the entire course of implementing the news hookup project, Chen Wenbing, director of the Shanghai radio station, said on many occasions that joint airing of a news program with CPBS is a bold experiment. We will, by doing this joint news hookup, learn from CPBS's experience to improve Shanghai's broadcasting news service.

Zhejiang Teleconference on Grain Work

OW0612054194 Hangzhou ZHEJIANG RIBAO in Chinese 25 Nov 94 pp 1, 2

[Unattributed report: "Make All-Out Effort To Carry Out Autumn Grain Procurement and Winter Planting"]

[FBIS Translated Text] The Zhejiang Provincial CPC Committee and provincial government held a provincial teleconference on autumn grain procurement and winter planting yesterday. The main purpose of the meeting is to further mobilize governments at all levels and relevant departments to act quickly, provide stronger leadership, and make more intensive, all-out effort to carry out autumn grain procurement and winter planting within a certain period of time. The meeting was chaired by Chai Songyue, provincial party committee deputy secretary and executive vice governor. Li Zemin, secretary of the provincial party committee; Wan Xueyuan, governor of the province; and Liu Xirong, standing committee member of the provincial party committee and vice governor, attended the meeting.

Li Zemin said: The provincial party committee and government convened this emergency meeting in light of the national grain situation, and situation of autumn grain procurement and winter planting in the province. Party committees and governments at all levels must attach great importance to this meeting. They should regard autumn grain procurement and winter planting as major tasks that affect the overall situation, and as a prominent aspect of rural work.

Li Zemin said: Since the beginning of this year, party committees and governments at all levels in the province have seriously implemented plans formulated by the party Central Committee, State Council, and provincial party committee and government. In view of the new situation and problems affecting grain production and the grain market, they have adopted a series of policy measures to reform the procurement-and-sale system, readjust procurement and sale prices, promote grain trading on a moderate scale enthusiastically but in a safe-and-sound manner, and strengthen management of the grain market, achieving tangible results in these respects. Our province has tentatively prevented areas sown to grain and grain production from shrinking. Although this year it suffered huge losses due to the onslaught of multiple natural disasters such as

floods, droughts, and typhoons, Zhejiang's grain output, particularly that of late rice, was better than expected; total output was basically stable; and grain procurement was on the average better than last year, with 2.74 billion jin (0.5 kg) of grain subject to the fixed quota system already procured and 72 percent of our annual target fulfilled. Our market supply has been generally stable, grain rations for urban and suburban residents have been guaranteed, and the needs of masses in disaster zones have been properly taken care of. However, we must be aware of the grimmer side of our situation, reflected by the continued upward trend in market grain prices and a still severe grain situation. Party committees and governments at all levels should pay close attention to this matter. Effective handling of this year's grain procurement and winter planting tasks have an impact on the stability of the agricultural sector and rural economies, life of urban and suburban residents, social stability, and healthy development of the provincial economy. Grain is not only a practical economic issue, it is also a major political and social issue. Therefore, party committees and governments at all levels should resolutely and vigorously carry out autumn procurement and winter planting, understanding the importance of this key task from the vantage point and overall situation of upholding reform, development, and stability.

He said: After this teleconference, all cities, prefectures, and counties should earnestly study and analyze their situations in line with the demands of the provincial party committee and government. They should not be blindly optimistic, let things slide, or make no efforts to accomplish anything. They should send cadres to implement things in townships, towns, and villages, and to serve them. Townships and towns that have not sold their grain or conducted winter planting should be given special help. Our present autumn-procurement and winter-planting jobs should be conducted together with the ongoing education on the party's basic line. We should educate cadres and masses in patriotism, collectivism, and socialism, inculcating in them a sense of responsibility toward the state and overall interests so that they will conscientiously sell autumn grain and conduct winter planting. We should make peasants understand that the state's direct and indirect investment in agriculture and rural economic development, and its policies to provide support will bring great and practical benefits to peasants. They should understand that the state's support, and industrial support for the agricultural sector, are needed to improve the peasants' living standards and develop rural economies, and that it is their duty to plant and sell grain according to state plans. We should stress these facts in a righteous tone and educate peasants about them.

Provincial, city, prefectural, and county departments in charge of grain, agriculture, supply and marketing, power industry, and water resources should send cadres to he's localities by providing specific guidance and service, so as to help peasants solve difficulties and accomplish the tasks of autumn grain procurement and winter planting.

Wan Xueyuan said: The provincial party committee and government have made numerous arrangements for this

year's autumn grain procurement, clearly outlining grain procurement policy and task. Data obtained by us indicates that on the whole, all localities have made better progress than last year in procuring grain under the fixed quota system. According to statistics, 21 of the 68 counties and cities subject to the fixed quota system for grain procurement in the province have accomplished their annual assignment. However, procurement work has proceeded unevenly: Some counties and cities have made rather slow progress in grain procurement under the fixed-quota system. This year, the entire province has to procure 3.8 billion jin grain under the fixed quota system. With 2.7 billion jin early rice already procured, we still have 1.1 billion jin autumn grain to procure—a very arduous task indeed.

After analyzing favorable and unfavorable factors in this year's autumn grain procurement, Wan Xueyuan urged party committees and governments at all levels to further understand the importance and urgency of autumn grain procurement, and asked them to implement policy measures and intensify work in light of the new situation and problems in autumn grain procurement, so as to complete their autumn grain procurement work on time. He said: First, we should strengthen the concept that it is one's responsibility toward the state, a peasant's duty, and a cadres' responsibility to accomplish grain procurement under the fixed quota system. One should focus on autumn grain procurement in a righteous manner. Autumn grain procurement, an important agricultural and rural task of party committees and governments at all levels, should be completed by assigning each level to handle tasks related to that level and take charge of another level. Township, town, and village cadres in particular should focus on accomplishing autumn grain storage quickly. Principal party and government leaders should personally attend to and concentrate on the matter for a certain period of time. Second, we should strictly implement grain procurement policies. Grain procured under the fixed quota system should strictly be subject to procurement prices set by the province, and that procured outside the fixed quota system should be subject to local prices. State-set standards for grain procurement quality should also be observed closely. No one is permitted to raise or lower prices or standards. Third, we should strengthen grain-market management. Except for units in charge of state grain procurement under the fixed quota system, no units or individuals from this province or other places are allowed to use any means to procure grain in rural areas, and cities and counties in Zhejiang are also prohibited from procuring grain outside their jurisdiction. Those who violate this rule will be regarded as disrupting grain market and will be punished severely if their cases are serious. We should strictly investigate and deal with grain dealers who illegally procured grain. We should crack down on those who hoard grain for speculation, dominate the grain market, or drive up grain prices. Fourth, public security and other departments should cooperate closely, strengthen management, and improve their service under the unified leadership of local governments. Departments in charge of news and the

media should intensify propaganda on autumn grain storage; vigorously publicize the state's grain procurement policy; and publicize grain-planting households which enthusiastically sell grain, grass-roots cadres who work hard, and units and individuals who provide good service, so as to create good publicity for procurement work.

Broaching the subject of this year's winter planting and production, Wan Xueyuan pointed out: We should continue to stress the need to cultivate the required acreage. This is the crucial period for winter planting. All localities should act expeditiously, try their best to extensively plant barley and rapeseed, vigorously develop winter agriculture, actively promote winter vegetable production, effectively plant more crops such as winter herbage, and strive to minimize the number of idle fields in the winter so as to realize a "green winter." Second [as published], we should focus on managing our fields, and conscientiously prevent people from doing a sloppy farming job and leaving "perfunctorily cultivated fields" untended. Third, we should provide good service. Leading organs at all levels, especially those in charge of agriculture, grain, and supply and marketing, should provide stronger guidance in winter planting and production. They should ensure steady, adequate supply of chemical fertilizer and other means of agricultural production and guarantee price stability. Fourth, we should conduct thoroughgoing, detailed work. This issue concerns not only method, but also the work style of cadres. I hope all localities will respond to the call of the provincial party committee and government; spring into action; simultaneously carry out autumn grain procurement and winter planting and production; and work hard to fully accomplish our annual grain procurement under the fixed quota system, ensure a balanced grain supply and demand, and increase actual market supply.

Leaders of Jiaxing City, Yin County, and Wuyi County also spoke on the issue of how to handle autumn procurement. Attending the meeting were also responsible persons of all city (prefecture) and county party committees and governments, party committee secretaries from key grain-producing townships and township and town heads, comrades who lead the provincial team on education in the party's basic line, and comrades of relevant provincial departments.

Zhejiang Farmers Receive Old-Age Pension

OW0612045394 Beijing XINHUA in English 0353
GMT 6 Dec 94

[FBIS Transcribed Text] Hangzhou, December 6 (XINHUA)—Some farmers in east China's Zhejiang Province have become the first beneficiaries of an old-age pension system now taking shape in rural areas of the coastal province.

Farmers now receive retirement pay every month, a provincial government official in charge said, adding that Zhejiang, an economically developed province, is the second-fastest-aging Chinese province.

He said that a total of 1.61 million farmers have taken out the old-age insurance policy. Some 5,000 villages and over 2,000 enterprises in 45 counties have begun implementing the old-age pension system, which for decades covered state workers only.

Trials of the system in Fuyang, Linan and in 13 other cities and counties since 1991 have been successful, the official noted.

Statistics show that as of last month more than 80 million yuan (about 9.2 million U.S. dollars) in old-age insurance fees had been paid in by local farmers.

The system has been well received by farmers, the official said, adding that the tradition of "bringing up children to care for aged parents" is being broken down in rural areas.

According to him, the provincial government has listed the establishment of a sound old-age pension system and a pension fund management network in the rural areas as one of its priorities for the next five years.

This system is being introduced more widely in rural areas. Provincial old-age payments will exceed 100 million yuan by the end of this year, the official said.

China has been making efforts to reform its old-age pension system since it launched the market economy drive in the late 1970s, in an attempt to make the coverage available to more of its fast-aging population.

Central-South Region

Economist Encourages Development of Zhujiang Delta

HK0612075094 Guangzhou NANFANG RIBAO in Chinese 12 Nov 94 p 1

[By staff news team: "Guangdong Finds Another Stone—Tong Dalin Talks on Strategy for Development of Zhujiang Delta Economic Zone"]

[FBIS Translated Text] The provincial party committee and provincial government's strategy and policy for the development of the Zhujiang Delta Economic Zone has attracted attention from all quarters. Not long ago, we conducted an interview with China's noted economist Tong Dalin in Guangdong Building where he stayed during his tour of Guangdong. Tong expressed his views on the new development strategy for the Zhujiang Delta.

Tong Dalin, who has visited Guangdong many times in recent years, is particularly interested in the Zhujiang Delta. Whenever foreign experts and scholars ask him about the latest developments in China's reform and opening up, he always suggests that they go visit Guangdong, especially the Zhujiang Delta. He says: The best way to understand China is visit the Zhujiang Delta.

China's reform and opening up are now at a new historical period and all localities are seeking new breakthroughs.

Tong is concerned about Guangdong. When he saw Comrade Xie Fei's articles which appeared in NANFANG RIBAO, he was excited, saying: "Good, Guangdong has found another stone!" Tong says: In the last 15 years of reform and opening up, the Zhujiang Delta has fully seized the opportunity and has been continuously "groping its way across the river by feeling the stone" in theory and practice, for example, in the groping for a commodity economy and the laws of value. Now Guangdong has put forward a strategic plan for developing the Zhujiang Delta Economic Zone at the right time. This is another remarkable breakthrough in theory and practice which Guangdong has made.

Tong views history with the distinct thinking of an economist. He said that in addition to the four great ancient inventions, China's contributions to humankind include the money economy and all schools of thought. This perception of history runs through his remarks. He stressed: The future development of the Zhujiang Delta Economic Zone has first to rely on the continuous regeneration of ideas and breakthroughs and to continue to be a leader in the emancipation of the mind. Second, it has to participate in the international division of labor and integrate the regional economy with the world market. It should stand at a high starting point, bring into play its own advantages, and play an active role in international economic cooperation. It should change its previous practice of being "unselective" in attracting foreign capital, technology, and projects and the practice of passively accepting the shift of international capital. It should change the one-directional attraction of capital and projects to the mutual supplementation of advantages. To this end, the economy of the Zhujiang Delta should merge with the international market and act according to international practice for its economic operations and readjust its industrial structure in line with the demands of the international market. Moreover, the Zhujiang Delta should make great efforts to create a big financial market system, vigorously attracting domestic and foreign capital and idle funds from society. It should boldly encourage higher forms of finance such as stocks and futures while carefully managing them and it should make great efforts to make the Zhujiang Delta a financial center." He said that the Zhujiang Delta Economic Zone should be a big single market.

On the question of the intraregional division of labor and cooperation in the Zhujiang Delta, Tong also made some brilliant remarks. He said that competition and cooperation are like the face and back of a coin and that they are so close as to be inseparable. He said: Competition is the basic law of the market economy. It is precisely acute competition that has created one "champion" after another in the Zhujiang Delta. But the destructive effect of indiscriminate and disorderly competition on productive forces must not be neglected. Such a tendency is emerging in the Zhujiang Delta. In order to further develop the Zhujiang Delta Economic Zone and increase Guangdong's advantages, it is necessary to break through the limitations

of administrative regions, strengthen planning and coordination, and avoid vicious competition. Now is the best time to encourage "individual champions" and "collective champions" and to achieve the regional and industrial division of labor in which both competition and cooperation exist. Government departments at all levels should seize the opportunity and actively guide all localities to start omnidirectional division of labor on the basis of conforming to the laws of value. They should adhere to the principle of "uniting with one another when there is a great profit to make and uniting with no one when there is no profit at all" and avoid the waste of the limited social resources within the Zhujiang Delta while maintaining their own strong competitiveness and stamina for development. Moreover, they should vigorously develop education, science and technology, culture, and various supporting social security systems. The macroguidance of the government and the role of the laws of market economy are two guarantees for the development and effective operation of the Zhujiang Delta Economic Zone.

Zhuhai Airport To Begin Trial Operations in Jan

HK0512154594 Beijing ZHONGGUO XINWEN SHE in English 1257 GMT 5 Dec 94

[FBIS Transcribed Text] Zhuhai, December 5 (CNS)—The Zhuhai Airport on which more than RMB [renminbi] 3 billion has been put in will be run on a trial basis in January next year. Full scale examination of airport facilities will be carried out.

Following great efforts made in past several years, the airport is close to full completion, according to the director of the office for preparations for the airport, Mr. Yu Rongai. All civil engineering works have already been completed while work on interior fitting and test on equipment are now in full swing in order to meet necessary conditions for operation in January next year when the first flight will be tried in the airport. The initial examination of the new airport will be conducted by the South China Civil Aviation Administration and the full scale inspection be staged by Civil Aviation Administration of China [CAAC] and the State Planning Commission which will have a final say on the opening date for formal operation of the airport.

On completion of the airport which is constructed based on international standard, the Zhuhai Airlines will use three Boeing 737-500 planes at the early stage to open 16 air routes running between Zhuhai and Beijing, Shanghai, Kunming, Chengdu, Chongqing, Wuhan, Guilin, Changsha, Zhengzhou, Nanjing, Hangzhou, Xiamen, Fuzhou, Shantou, Haikou and Guiyang. The air company is scheduled to put on service several large aircraft in 1996 when international air routes will be opened. By the turn of the century the handling capacity of the airport will be expected at eight million travellers each year.

The airport enjoys geographical advantages for being situated at the Pearl River Delta and at a location considered the forefront of the reform and open-door policy, the

Director of the Transport Department of CAAC Mr. Zhang Yuqing said at a press conference. On operation, six neighbouring hometowns for overseas Chinese including Zhongshan, Jiangmen, Xinhui and Taishan will benefit from the airport. As Zhuhai is adjacent to Hong Kong and Macao and has a close geographical location to Southeast Asia, international air routes can be run by the airport which will involve a big handling capacity, making Zhuhai an important outlet for international air traffic.

Guangxi Province Sums Up Results of Private Economy

HK0612074694 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 3 Dec 94

[FBIS Translated Text] In the past few years, in the process of setting up the socialist market economic structure, all parts of this region encouraged and supported the development of the individual and private economy, which has now become one of the main forces to invigorate Guangxi's economy.

In 1993, the individual and private economy in the whole region produced a total of 2.5 billion yuan in industrial output value, accounting for 3.72 percent [figure as heard] of the region's total industrial output value and handled 8.57 billion yuan of commodity retail sales, accounting for 25 percent of the region's total commodity retail sales. Individually-owned businesses and private enterprises paid a total of 11.9 billion yuan of taxes, accounting for 14.2 percent of the region's total tax revenue.

Up to the end of June this year, the number of individually-owned industrial and commercial businesses had increased to 704,800, the number of people running these businesses reached 979,600, and the registered capital funds of such businesses amounted to 3.307 billion yuan. The number of private enterprises increased to 4,700, they employed 74,700 people, and the registered capital funds amounted to 2.219 billion yuan.

The individual and private economy has been playing a significant role in this region's economic life. In order to further promote the healthy development of the individual and private economy, the policy research office of the regional party committee, the regional administration of industry and commerce, and the Wuzhou Prefectural CPC Committee jointly held a meeting in Hexian County between 1 and 3 December to exchange experience in developing the individual and private economy. Not only was successful experience in developing the individual and private economy in various localities exchanged at the meeting but the theory on the position and the role of the individual and private economy and on the ways to quicken its development was also discussed.

Official Views Haitan Crackdown on Gun-Related Crime

HK0512151094 Beijing ZHONGGUO XINWEN SHE in English 1336 GMT 5 Dec 94

[FBIS Transcribed Text] Haikou, December, 5 (CNS)—Achievements have been made in crack-down on gun-related criminal activities and public safety of the province

tends to be stable, said Wang Xueping, vice governor of the province at the conference of political work held recently.

Mr. Wang said that comparatively speaking, this strike was more forceful, faster in action and at the same time case resolving rate was also raised. This was manifested in the following way:

- A large number of gun-related criminals and other offenders have been captured. In half a year, 10,219 criminals of various kinds were seized of which those who had committed crimes with guns accounted for 674 in number and escaped criminals numbering 988. 43 rallies were held in public to hand down judgments on criminals, of which 737 were sentenced to various terms of imprisonment according to law and a number of most vicious criminals put to death.
- A batch of criminal rings have been smashed. 558 rings of 2,476 criminals of various kinds were subdued in the province. Of these 174 rings with 859 members were gun-related. The province has also smashed 863 prostitution groups and gun-making gangs.
- A batch of criminal cases have been solved. 2,576 cases of various kinds were solved in the province of which major cases reached 1,548 in number and 271 cases with gun involved.
- A lot of guns, bulletins and drugs have been captured. The number of various kinds of guns captured reached 4,361, of which military guns were 162, imitation guns 140, rifles and pistols 3,266, bullets 5,353 and hand-grenades 209 and at the same time, 1,430 lethal weapons, stolen money and products with total value of RMB [renminbi] 120 million were also seized.

Hubei People's Congress Considers Price Issue

HK0612092294 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 2 Dec 94

[FBIS Translated Excerpt] On the morning of 1 December, the 10th meeting of the provincial people's congress standing committee deliberated the provincial government's report on price control. Members of the standing committee said that price control work in 1994 continually faced a stern situation, in which inflationary pressure increased continuously while the economy grew at a high speed. There was the most intensive reform as well as the greatest inflation pressure. Prices increased most sharply, and the party and government made the greatest efforts to control prices. This year, the task of price control was most arduous, and there was much experience—both positive and negative—in this field. The government work report ratified by the second session of the provincial people's congress decided to control the rate of price increases below the average national level, and took this as the target of Hubei's price control work. According to the latest provincial government report, however, between January and October, the retail price index and the consumption price index increased by 24.9 percent and 26 percent, respectively 3.6 and 2.3 percentage points higher than the

average national figures. In view of this fact, a number of standing committee members said: The problem of prices is the greatest worry of the masses. The rate of price increases in this province is higher than the national average. This is not a short-term phenomenon, but a long-standing problem. Most people have found the high prices unbearable. The government has done something to check the price increases, but the result is not satisfactory. This is mainly because the measures are not effective and are not being implemented properly. It is hoped that the provincial government will seriously analyze the problems and adopt effective measures. [passage omitted]

More Ethnic Minority People To Shake Off Poverty

OW0612081694 Beijing XINHUA in English 0657 GMT 6 Dec 94

[FBIS Transcribed Text] Changsha, December 6 (XINHUA)—Central China's Hunan Province will make further efforts at helping ethnic minority groups in rural areas shake off poverty.

Recent statistics show that some 1.06 million people out of the 1.56 million people from ethnic minority groups living below the poverty line now have a decent life in the Xiangxi (western Hunan) Tujia and Miao Autonomous Prefecture thanks to a ten-year-long effort.

The prefecture has a population of more than 2.4 million, and a large portion of them live deep in the mountains.

The provincial government recently decided to continue the campaign aimed at shaking off poverty launched 10 years ago so as to eliminate poverty.

By the end of this century, all the poor counties in the prefecture are expected to reach the goals designed for a better life.

Since 1984, when the campaign began, about 564 million yuan (63 million U.S. dollars) has been poured into it, resulting in a big change in people's basic living conditions in poor rural or mountainous areas.

The average annual per-capita income in poor rural areas has reached 578 yuan, and their total agricultural output was valued at some 4.16 billion yuan (470 million U.S. dollars).

The local government is to invest more for the development of agriculture and industries, and has decided to shift its focus to construction of basic agricultural facilities and water conservancy projects in the coming years.

Southwest Region

Vice Minister Leads Water Inspection Group to Guizhou

HK0612091494 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 2 Dec 94

[FBIS Translated Text] In late November, Yan Keqiang, member of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] and vice

minister of water resources, led an inspection group consisting of some members of the Nationality Affairs Committee of the CPPCC National Committee to Guizhou. They inspected the drinking water conditions in the areas inhabited by minority nationalities.

The inspection group visited Changshun, Huishui, Dushan, Luodian, Pingtang, and Libo Counties. They went to villages of the Miao and Buyi nationalities, where they saw the living conditions of the people, and inspected some drinking water supply projects.

Yan Keqiang affirmed the work results of various relevant departments of the province in solving the supply of drinking water for the residents and livestock in poor areas. He said: In Guizhou, it was difficult to get sufficient drinking water, and the root cause is poverty. Therefore, the work of supplying drinking water should be linked with the work of eliminating poverty and increasing local people's income. It is necessary to adopt a scientific attitude and a long-term viewpoint when working out local economic development plans in line with the state program.

He also said that the Ministry of Water Resources will pay more attention to the work in the central and western parts of the country.

Through the efforts made by the water resources department in this province over a long time, drinking water reportedly has been sufficiently supplied for 6 million people who had found it hard to get drinking water in the past. However, drinking water has yet to be supplied for another 4.27 million people in the mountainous areas.

Sichuan Takes Steps To Enforce Copyright Law

HK0612123394 Chengdu SICHUAN RIBAO in Chinese
23 Nov 94 p 1

[By staff reporter Shi Benxiu (4258 2609 4423): "Our Province Achieves Results in Enforcing Copyright Law"]

[FBIS Translated Text] The Copyright Law was enforced in Sichuan more than three years ago. Since then, over 100 cases have been settled involving book copyrights, including "Li Bing and His Sons," "Celestial Being of Lotus," "Big Buddha at Mountain Lok," and "Builders." This has had a great impact in society and signifies that Sichuan has attained a new high in enforcing the Copyright Law, thus enhancing the popular sense of the need to protect copyrights.

Since the "Copyright Law of the PRC" came into effect on 1 June 1991, the provincial copyright bureau has made unremitting efforts in enforcing the law.

—Popularizing the law and training staff for the work in a big way. The bureau has tried to improve the quality of propaganda work and accelerate the campaign through "popularizing the law by handling copyright cases" while imbuing the public with knowledge about the Copyright Law through newspapers, periodicals, radio,

and television, which transmit information quickly and over a vast area, to enhance the public's sense of the need to protect copyrights. The bureau has trained, on various occasions, 3,000 people from publishing houses, newspaper and magazine offices, radio and television stations, and colleges and universities over the last three years.

—Providing legal consultations on copyright. Since the Copyright Law was put into effect, an average of 400 consultations a year have been provided. To better meet demand, the bureau has set up a provincial copyright service center, providing advice on how copyright is obtained, to whom copyright belongs, and how copyrights are protected, as well as popularizing the Copyright Law. Over the last year and more, the copyright bureau has upgraded its consultation service and has thus helped to reduce and avoid copyright disputes. Last year, the bureau helped publish a grand series of books including "A Compilation of Pictures of Historical Relics" and "10 Thousand Whys for Children."

—Handling copyright cases in a serious manner. On average, the bureau handles several dozen copyright cases every year and settles 50 percent of them in the same year. Of these cases, copyright abuse accounts for a large percentage. Of all the copyright cases involving books published in Sichuan and handled by the bureau in the period from late last year until now, four have reached a point where the pirates have been initially identified or evidence has been collected, the offenders' administrative liabilities can be determined, or administrative punishment can be meted out, thus achieving greater successes than ever before. The successful handling of three major copyright abuse cases involving the "Single Volume Edition of 1993 DIANZI BAO [ELECTRONICS JOURNAL]," the "Latest Enterprise Management Dictionary," and the "1992 Chinese Ancient Money List" evoked a favorable response in society.

Southern Sichuan Improves Transport Facilities

OW0512072294 Beijing XINHUA in English 0657
GMT 5 Dec 94

[FBIS Transcribed Text] Chengdu, December 5 (XINHUA)—Southwest China's Sichuan Province is concentrating on improving its transport facilities in its southern part to meet the needs of its rapid economic development.

A provincial official in charge of communications said that construction of a railway running from Longchang to Luzhou at the southern tip of the province is almost completed and will be open to traffic on new year's day as part of the trans-provincial railway running from Longchang to Huangtong in Guizhou Province.

Upon completion, the 499-kilometer railway will become the second railway linking Sichuan with Guizhou after the railway from Chongqing, southwest China's largest city in Sichuan, to Guiyang, capital of Guizhou Province.

With a total investment of seven billion yuan in construction, the railway will join the Chengdu-Chongqing, Guiyang-Kunming and Kunming-Nanjing railways, paving the way to the sea for southern Sichuan through the Guangxi Zhuang Autonomous Region.

Meanwhile, Sichuan is building an expressway from Longchang to Naxi with an investment of 1.9 billion yuan. It will join Guizhou's expressway running from Dafang to Naxi and then to Guiyang.

Sichuan Province also plans to transform Luzhou port and to expand the Luzhou Lantian airport.

Lhasa Stock Exchange Center Introduced

OW0612103294 Beijing XINHUA in English 1003
GMT 6 Dec 94

[FBIS Transcribed Text] Lhasa, December 6 (XINHUA)—The first stock exchange center in Lhasa, capital of the Tibet Autonomous Region, has witnessed busy transactions since it was opened in January this year.

There are more than 2,000 members in this stock exchange on the roof of the world and the highest daily transaction has reached more than 5 million yuan, a big amount for a city with 180,000 people, according to Ban Lirong, deputy general manager of the Lhasa Stock Exchange Center.

The center is a member of the stock exchanges in Shenzhen and Shanghai. The time of opening and closing is synchronized with that of Shenzhen and Shanghai. The trust transaction, transaction reports and market quotations are time relayed.

Yunnan Signs Economic Cooperation Pacts With Shanghai

HK0312020694 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 28 Nov 94

[FBIS Translated Text] A Yunnan Provincial Government delegation headed by Vice Governor Li Jiating visited Shanghai 18-26 November. During their stay in Shanghai, they conducted wide-ranging contacts and exchanges with the relevant departments, as well as with industrial and commercial enterprises. Through friendly consultations, the two sides signed agreements on 28 economic cooperative projects, including machinery, textile and other light industries; medical and health undertakings; electronic instruments; and the chemical industry. The form for cooperation includes pooling capital for building factories, carrying out economic and technological cooperation, training personnel, as well as developing purchases and sales in commercial and trade circles. The capital pooled for building factories amounts to 62.75 million yuan. Purchases and sales in commercial and trade circles amount to 10.40 million yuan.

Through consultations, the two sides concluded agreements on machine building and medical undertakings. The Shanghai Municipal Health Bureau and the Yunnan Provincial Health Department signed an agreement on public

health cooperation and assistance, under which Shanghai will help Yunnan to train 100 medical personnel, and Yunnan will introduce 100 advanced medical projects from Shanghai. To cope with the needs of industrial structural adjustment, Yunnan's Qujing No. 2 plastics factory and Shanghai's Yinfeng Automobile Company Limited will cooperate in forming a limited automobile company in Qujing City. The signing of these agreements will provide new channels for in-depth cooperation between the two sides' enterprises, and will lay a good foundation for a new round of economic cooperation between the two sides.

On the morning of 19 November, Vice Mayor Xu Kuangdi, deputy secretary of the Shanghai Municipal CPC Committee, met the Yunnan Provincial Government delegation, and exchanged views with Li Jiating. On the afternoon of 25 November, a ceremony was held for Yunnan Province and Shanghai Municipality to sign the agreements on economic and technological cooperation. Vice Governor Li Jiating, member of the Yunnan Provincial CPC Committee's Standing Committee; Shanghai Vice Mayor Jiang Yiren; and Shanghai veteran leaders Hu Lijiao and Chen Yi attended the signing ceremony. Li Jiating and Jiang Yiren signed the summary of minutes on strengthening the two sides' economic cooperation.

After the signing ceremony, the Yunnan Provincial Government delegation held a banquet to express thanks to the Shanghai side, as well as congratulations on the two sides' successful cooperation.

North Region

Foreign Investors Flock to Beijing New-Tech Zone

OW0412144594 Beijing XINHUA in English 1413
GMT 4 Dec 94

[FBIS Transcribed Text] Beijing, December 4 (XINHUA)—The Beijing New Technology and Industry Development Experimental Zone had approved the establishment of 1,000 overseas-funded firms by November 22, according to today's "BEIJING DAILY."

These firms involve a total investment of 760 million U.S. dollars, the paper said, adding that 14 of the 1,000 firms each invested over 10 million U.S. dollars.

Many multi-national companies have invested in the zone, which was set up six years ago, the paper said. Those include the General Electric, IBM and AT&T of the United States, and Epson, Hitachi, Matsushita, Canon, Mitsubishi and NEC of Japan.

Foreign-funded firms have become a major component of the economy of the Beijing New Technology and Industry Development Experimental Zone, according to the paper. Last year, such firms accounted for 20 percent of the zone's earnings from sales and 33 percent of its industrial output value.

New Sino-U.S. Joint Venture Launched in Beijing
OW0512151094 Beijing XINHUA in English 1417
GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—The Beijing Whirlpool Snowflake Electrical Appliances Company, the largest refrigerator manufacturing joint venture in China, was set up by a Beijing firm and a U.S. company here today.

According to the contract, the new company will be run jointly for 50 years by the Beijing Snowflake Electrical Appliances Group Company and the Whirlpool Corporation of the United States.

The company will be built at a total cost of 29.5 million U.S. dollars. It will be able to produce half a million refrigerators and freezers annually after it goes into operation in May 1995.

Addressing a ceremony to mark the signing of the contract, David Whitwam, chairman of the Whirlpool Corporation, described the establishment of the joint venture as a "well thought out but bold" step taken by his corporation to expand its business in the rapidly-growing Asian region.

China's electrical appliances market has an enormous potential, he said, adding, "we are full of confidence in the joint venture. We believe that the Whirlpool Corporation will play a major role in China for a long time to come."

Established in 1911, the corporation is one of the largest electrical appliance manufacturers in the world, with sales totalling 7.5 billion dollars-worth in 1993, according to sources.

Speaking at today's ceremony, Liu Qichao, chairman and general manager of the Beijing Snowflake Electrical Appliances Group Company, said that the venture is the first Sino-U.S. joint venture manufacturing refrigerators.

"With whirlpool as our business partner, we are full of confidence in expanding China's electrical appliances industry," he said.

The company now builds 200,000 refrigerators a year, with annual earnings amounting to 30 million dollars.

Chen Xitong, secretary of the Beijing Municipal Committee of the Chinese Communist Party, met with Whitwam and his party here this afternoon.

Chen, who is also a member of the political bureau of the party central committee, said that as China has a huge population and a vast market, the demand for electrical appliances will increase steadily.

He asked the U.S. guests to co-operate boldly with the Beijing Snowflake Electrical Appliances Group Company in upgrading and improving its refrigerators.

"I hope that you will make the new joint venture as a starting point for co-operation with the Chinese enterprise community," he said.

Whitwam said that after going into operation next May, the venture will use technology imported from the United States.

He said that the Whirlpool Corporation has a "bright future" in the Chinese market.

Beijing, Tianjin To Join Hands in Opening Bank
OW0612080094 Beijing XINHUA in English 0650
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Beijing will join hands with Tianjin in opening a bank to boost the local economy, "ECONOMIC INFORMATION" reported today.

The suggestion was put forth by the Beijing Municipal People's Political Consultative Conference and the Beijing Municipal Revolutionary Committee of the Chinese Kuomintang, and approved by the municipal government.

The paper noted that both Beijing and Tianjin suggested on setting up a branch bank to cover Beijing, Tianjin, and Tanggu for the central bank, the People's Bank of China.

Economists here agreed that economic cooperation between the two municipalities will surely promote local economic development because of Beijing's wealth in capital, talent, and scientific resources, while Tianjin is the economic and banking center of north China.

Cultural Relics Control Rules To Take Effect in Beijing

OW0612110894 Beijing XINHUA in English 0913
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Three sets of new rules concerning the control of cultural relics are soon to take effect in the Chinese capital, a municipal government official said.

The three sets of rules focus on the registration of museums, the duplication of precious cultural relics, and the management of cultural relics in museums, according to the official.

The promulgation of the rules is to meet the requirements of the new situation in which many organizations and individuals are applying for opening private museums, the official said.

The new rules outline the necessary procedures for museum registration, the requirements for opening museums, the rights and obligations of museums and penalties for rule violators.

The rules also stipulate that the duplications of cultural relics must be identical in size, shape, color, weight and characters of the original.

The official said that Beijing has promulgated a dozen sets of regulations on the protection of cultural relics since 1978 and four more new rules on the control of cultural relics will be issued.

There are more than 80 museums in the Chinese capital.

Hebei Holds Discipline Inspection Plenum

SK0612122094 Shijiazhuang HEBEI RIBAO in Chinese 26 Nov p 1

[By Shi Wensheng (4258 2429 3932) and Zheng Guizhen (6774 2710 3791): "The Sixth Plenary Session of the Third Provincial Discipline Inspection Commission Is Held in Shijiazhuang"]

[FBIS Translated Text] The sixth plenary session of the third Hebei Provincial Discipline Inspection Commission was held in Shijiazhuang on 23 and 24 November. The main topics for discussion at this plenary session were to conscientiously study and implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, the Fourth Plenary Session of the Central Discipline Inspection Commission, and the eighth plenary session of the provincial party committee, make arrangements and work out plans for comprehensively exercising the functions of discipline inspection and supervision organs, strictly observe the party's political discipline, deeply conduct anticorruption struggle, and guarantee the implementation and enforcement of all policy decisions of the CPC Central Committee and the provincial party committee.

At the session, Xu Yongyue, deputy secretary of the provincial party committee, gave a speech on strengthening leadership, clearly defining the responsibility, and making continued efforts to grasp party style and administrative honesty. Wu Yedu, member of the standing committee of the provincial party committee and secretary of the provincial discipline inspection commission, gave a report.

In line with the province's reality of anticorruption struggle, the plenary session conscientiously studied, deeply understood, and comprehensively implemented the guidelines of the party's fourth plenary session, fully recognized the importance and urgency of strengthening party building under the new situation, comprehensively gave play to the supervision functions of discipline inspection and supervision organs, realistically attended to the building of party style, and guaranteed the implementation of all tasks defined in the central "decision" in places where needed.

The plenary session pointed out: The tasks at present and for some time to come next year are: First, we should continue to grasp the work of making leading cadres become honest and self-disciplined, with an emphasis in grasping leading cadres at and above the county (section) level, and extend this work to cadres at the township (section) level of party and government organs and leading cadres of enterprises next year. At present, it is necessary to step up efforts to straighten out in accordance with relevant regulations the problems on cars, housing, and reception standards, and on engaging in commerce and running enterprises which have been discovered among

leading cadres of party and government organs through investigation and verification. Leading cadres at all levels should set examples in this aspect. It is necessary to strictly handle those organs that failed to straighten out their own problems. We must regard buying or changing imported luxurious sedans in violation of stipulations as one of the important jobs in keeping leading cadres honest and self-disciplined and strictly carry out this work through to the end in accordance with the stipulations of the central and provincial authorities. Second, we should devote a period of time and concentrate efforts on investigating and handling major and appalling cases and give priority to investigating and handling such major and appalling cases as violating political discipline, engaging in corruption and bribery, seriously violating financial and economic discipline, seriously practicing bureaucracy, and abusing one's power to seek personal gain. While making special efforts to investigate and handle the law and discipline violation cases of party and government leading cadres, we should make concentrate efforts on investigating and handling economic law and discipline violation cases with the characteristics of various trades. All levels should selectively make public a number of influential and shocking cases. Third, we should deeply and lastingly conduct work on straightening out unhealthy trends in departments and trades, continue to consolidate and improve the work of screening and straightening out unhealthy trends in four aspects on party and government organs abusing their power to engage in commerce, to arbitrarily collect charges, to randomly collect "road tolls, apportionments, and fines," and to use public funds for private travel abroad, and prevent the reappearance of such cases by resorting to various tactics and tricks. We should make a special effort to screen and straighten out the problems on party and government organs misappropriating the money and property of enterprises without repaying them and exaggerating or understating achievements to win honor by cheating, the unhealthy trends in the building markets, and the chaotic management of electricity prices in the rural areas and implement them one by one.

At present, the order of the building market is chaotic and the crux of the matter is that some people have traded power for money. Therefore, we must strengthen supervision and inspection in this aspect and strictly handle problems when they are discovered. All trades and departments should accurately pinpoint the conspicuous problems and actively straighten out unhealthy trends in their trades. Fourth, we should further strengthen propaganda and educational work on discipline inspection and supervision. Discipline inspection and supervision organs at all levels should regard education as a project for permanent rectification and grasp it firmly. In substance, we should carry out this work in close connection with the party constitution and all inner party laws and regulations, keep eyes on enhancing the sense of discipline of party-member cadres, and promote the party's fine traditions and work style. In methods, we should attend to conducting education with typical positive and negative examples. In addition to exposing and analyzing the major and appalling

cases we have investigated and handled and conducting education, we should also pay attention to summing up and publicizing some models who have set examples in observing the party discipline, promoting the party's fine traditions and work style, performing their duties honestly and diligently, and struggling against corrupt phenomena in an effort to actively promote justice.

The plenary session called on discipline inspection and supervision organs at all levels to strictly observe the party's political discipline and safeguard the authority of the CPC Central Committee. It is necessary to strictly investigate and handle the acts of opposing the four cardinal principles and practicing bourgeois liberalization; the acts on opposing reform and opening up; the acts on refusing to implement the central policies, complying in public and opposing in private, and making regulations contravening the central policies; the serious acts of resorting to deception and deceiving one's superiors and deluding one's subordinates; and the acts of making decision by the collectives to violate law and discipline for the interests of a locality, department, or a small group. We should strengthen supervision and inspection over the implementation of democratic centralism. We should conscientiously investigate and handle the major problems reported by the masses, and at the same time, conduct regular supervision and inspection through various forms such as enforcing laws and conducting supervision, investigation, and study. It is necessary to integrate the supervision of discipline inspection and supervision organs with the supervision in other aspects, form a joint force, gradually establish supervision mechanism, and increase the supervision effect. We should supervise and promote the fulfillment of the tasks of building the party's grass-roots organizations and cultivating and training leading cadres, and resolutely prevent and straighten out the unhealthy trends in recruiting workers.

The plenary session stressed further efforts be made to strengthen the self construction of discipline inspection and supervision organs. Discipline inspection and supervision organs at all levels should improve relations in various aspects in terms of ideology and organization after merging the two organs into one and give full play to their functions. Party committees at all levels should continue to grasp the organizational construction of the discipline inspection and supervision organs, and replenish and strengthen the leading bodies and ranks of cadres of the discipline inspection and supervision organs at all levels.

Metallurgical Industrial Exhibition Opens in Tianjin

SK0512023394 Tianjin TIANJIN RIBAO in Chinese 23 Nov 94 p 1

[FBIS Translated Excerpt] The 1994 international metallurgical and machinery industrial exhibition ceremoniously opened at the international exhibition center on 22 November. Nie Bichu, chairman of the municipal people's congress standing committee, and Li Huifen, member of

the standing committee of the municipal party committee and vice mayor, cut the ribbons to mark the opening.

This was a special exhibition with the greatest participation by foreign firms during the recent 10 years and was cosponsored by the China National Metals and Minerals Import and Export Corporation, Tianjin Metallurgical Bureau, the machinery bureau, and the international exhibition center. The Hong Kong Huajin Company, Ltd., was the sole agent for soliciting business abroad.

Attending the exhibition were nearly 300 firms from 15 countries and regions, including Great Britain, Austria, Canada, the United States, France, Germany, Italy, Switzerland, Denmark, Japan, the ROK, Singapore, Hong Kong, and China. The exhibits included metallurgical industrial machinery equipment, coking equipment and machinery, industrial furnaces and machinery, refractory materials and technology, environmental protection facilities, metallurgical testing device, instruments and meters, automatic meters, and other new equipment and technologies of the most international advanced level of the 1990's. [passage omitted]

On the morning of 22 November, Nie Bichu, chairman of the municipal people's congress standing committee, met with the delegates from 15 countries and regions who came to Tianjin to attend the 1994 international metallurgical and machinery industrial exhibition, and hoped that through this exhibition, more businesses and cooperation would be conducted. During the meeting, Nie Bichu extended a warm welcome to foreign traders and personages from business sectors who came to Tianjin to attend the exhibition. He said: China has a big market and the demand for metal materials will greatly increase with the rapid development of China's industrial and civilian construction undertakings. China's metallurgical industry needs greater development, and particularly, many old enterprises need to update their equipment and upgrade their technology. Tianjin is a banking, commercial and trading center as well as a comprehensive industrial base in northern China. We welcome friends to come to Tianjin to make investments and conduct cooperation and to serve as a medium for introducing advanced technologies to the whole country through Tianjin. I am convinced that all friends will get good returns. He wished the exhibition a great success.

The representative of foreign traders also expressed that they would strengthen mutual understanding through this exhibition, do more businesses, and conduct more cooperation for the development of China's metallurgical industry. Vice Mayor Li Huifen and responsible persons of the municipal departments concerned were also present at the meeting.

Tianjin Completes Satellite Earth Station

HK0512122594 Beijing ZHONGGUO XINWEN SHE in English 0849 GMT 5 Dec 94

[FBIS Transcribed Text] Tianjin, December 5 (CNS)-The earth receiving station for communications satellite in

Tianjin, which is regarded as one of the key projects for the 43rd World Table Tennis Championship, is completed today.

The station is located in the Yutai Village of the Xiqing District, its main communications equipment was imported from America.

The earth station is able to transmit TV programs of four channels at the same time. Programmes of the two channels can be transmitted through the India Ocean satellite and

that of the other two channels transmitted through the Pacific Ocean satellite. Programmes transmitted by this station will cover most countries and regions of Asia, Africa, Europe and Oceania. During the World Table Tennis Championship, the pictures of the main game venue and signals of commentators will be transmitted by the station. After the completion of the Championship, the station will also serve for exchange of TV programmes between Tianjin and other domestic or foreign cities. The station will also offer service of 1,170 satellite telephone lines.

Taiwan Criticized for Disallowing Humanitarian Flight

OW0412142094 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 30 Nov 94

[Commentary by station editor Yi Xin: "Obstinately Cling to a Dogma and Lose Popular Sympathy"—from the "News and Current Events" program]

[FBIS Translated Text] The denial of permission for the direct flight of a chartered special plane for Mr. Zhang Xiaoci [Chang Hsiao-tzu, or Winston Chang] from the Mainland to Taiwan to receive medical treatment has incurred the resentment of a large number of people on and off the island. Station Editor Yi Xin wrote a news commentary on the issue entitled "Obstinately Cling to a Dogma and Lose Popular Sympathy." I am Lin Guang, your anchorman for this program, and now I am going to broadcast the commentary:

After undergoing emergency treatment for a cerebral hemorrhage in Beijing, Zhang Xiaoci, president of Taiwan's Soochow University, returned to Taipei [Taipei] from Beijing via Hong Kong aboard a special plane provided by an international aid organization on 24 November. Although Mr. Zhang survived the most critical stage of his illness after emergency treatment by mainland medical personnel for 10 days, he was still in a coma. All medical experts on both sides of the Taiwan strait believed the changes in cabin pressure during an aircraft's takeoff and landing could possibly lead to a deterioration in the patient's condition. All circles in Taiwan called on the authorities to give top priority to the consideration of humanitarianism and to let the international aid organization's special plane fly directly from Beijing to Taipei so as to minimize the number of takeoffs and landings. However, the Taiwan authorities repeatedly stressed that direct flight was against the law and not permissible. As a result, it was finally decided that the special plane carrying Zhang Xiaoci, who was in a coma, would fly to Taiwan after landing at Hong Kong's Kai Tak Airport.

In this connection, one after another the press circles in Taiwan and Hong Kong condemned the Taiwan authorities for obstinately clinging to a dogma and for their inhumane treatment of the patient. A commentary in Hong Kong's CHEN BAO pointed out: A case involving human life is to be treated with the utmost care. In the case of Zhang Xiaoci, who was in a coma, the Taiwan authorities were really inhumane to deny permission to him for a direct flight to Taiwan. Indeed, the Taiwan authorities would find themselves hardly able to absolve themselves of the blame should anything happen to the patient. In an article entitled [words indistinct] Li Denghui [Li Tenghui], in Hong Kong's FAI PAO, pointed out: The Taiwan authorities' rigid policy takes no heed of human life. How can such a policy not adversely affect cross-strait exchanges? Hong Kong's SING TAO WAN PAO also pointed out: The Taiwan authorities lose both justice and

popular sympathy by vetoing the direct flight. The veto poses an issue to be grieved by the peoples on both sides of the Taiwan strait.

For the last few days both government officials and the public, as well as personalities of various circles on the island of Taiwan, gave expression to their resentment and indignation by various means over the authorities' denial of permission for Zhang Xiaoci's direct flight to Taipei. Senior Adviser to the Presidential Office Lin Yang-kang said that, based on humanitarian considerations, personally he believed permission should be granted to the special plane carrying Zhang Xiaoci for its direct flight from Beijing to Taipei and that it was unnecessary to have too many misgivings about an unfavorable influence. Many legislators were dissatisfied with the authorities for not treating humanitarianism as the most important consideration that overrides all others and for their refusal to let Zhang Xiaoci's special plane fly directly back to Taipei. In an emergency statement lodged with the Executive Yuan, they pointed out the authorities' decision on the issue meant shutting their eyes to someone who was dying and demanded the formulation of additional provisions on the handling of cross-strait emergency rescues permitting direct flights from the mainland to Taiwan by vehicles belonging to an international aid organization. Legislator Zhou Fengzhi, who is a member of the Kuomintang, said that, after a situation like Zhang Xiaoci's developed, the authorities should not obstinately cling to a dogma in utter disregard of human life.

A physician in Taipei said: The mainland already eliminated its hostility toward Taiwan and let its best doctors take part in the emergency treatment of Zhang Xiaoci, whereas the Taiwan authorities turned down our request for a direct flight by the special plane. Comparing the ways of handling the situation by the mainland and by Taiwan, the Taiwan authorities should feel ashamed.

On 23 November, over 100 faculty and students of the Soochow University went to the Mainland Affairs Council [MAC] to lodge a petition for their president's return to Taiwan on a direct flight. Student Association President Chen Hanquan said that they voluntarily petitioned for their president because there were many things which were difficult for the patient's family to say, and therefore the students made an effort to get in touch with the MAC on behalf of the patient's family, and that they were disappointed with the MAC's obstinate clinging to its policy and stand.

From the issue of the special plane carrying Zhang Xiaoci back to Taiwan for medical treatment, people may see that the Taiwan authorities politicized a simple issue of a transportation request for humanitarian aid, banned direct flight because they obstinately cling to a dogma, and placed their rigid principle above the accepted code of human conduct and above science. The reason for their doing so was entirely out of consideration for their shameful political needs.

U.S. Secretary Pena Meets Li Teng-hui

OW0612084694 Taipei CNA in English 0813 GMT 6 Dec 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 6 (CNA)—President Li Teng-hui said Tuesday [6 December] that the Republic of China [ROC] on Taiwan has not only pursued economic growth but also democratic reforms.

Li made the statement while meeting with U.S. Secretary of Transportation Federico Pena, who is here to attend the annual joint meeting of the ROC-USA and USA-ROC economic councils.

Li said the ROC is promoting "reforms," not "revolution," for the well-being of its people. "We have consistently pursued progress with stability, and in the course of this development, we are willing to hear the voice of our people and to do exactly what they desire," he stressed.

Pena told Li that he is pleased to become the first Clinton administration cabinet member to visit Taiwan. "This is my first trip to Taipei and I'm impressed by economic prosperity and democratic reforms here," Pena said.

He further said he has met with representatives of the local American business community and all of them are optimistic about Taiwan's economic prospects.

Pena also conveyed President Bill Clinton's regards to President Li.

Later in the day, Pena met with Legislative Yuan President Liu Sung-fan.

During the talks, Pena said the United States is committed to upgrading its relations with Taiwan. "This is why the Clinton administration made adjustments of its policy toward Taiwan in September to allow high-level American officials to visit here."

Pena said he hopes more senior American officials will visit Taiwan in the future to boost substantive relations between the two countries.

Liu told Pena that he hopes the United States can support Taiwan's early entry to the General Agreement on Tariffs and Trade and assist Taiwan in its bid to become an Asia-Pacific business operations center. "We also hope your country can help us join the United Nations," he added.

Pena said he understands Taiwan's desires and promised to convey Liu's three suggestions to the U.S. Government for reference.

Article Defends Li Teng-hui's Views

OW0512114094 Taipei CHUNG-YANG JIH-PAO in Chinese 27 Nov 94 p 1

[Article by Ting Yuan-chao, head of information section of the office of presidential spokesman: "In Fairness to the Frequently Misunderstood President Li"]

[FBIS Translated Text] For a long time, President Li's many talks have been misunderstood by the people. His talks were even viciously distorted by some people with ulterior motives, and the innocent public thus has many unnecessary misunderstandings.

In fact, many people, after meeting the president and personally hearing his views, all asked him: "Mr. President, people outside indeed have deep misunderstanding of your words. Why don't you try to explain and clarify them?"

After hearing those questions, the president often forced a smile and said: "The people outside often criticized the few words or fragments of my talks. They quoted my words out of context and gave a distorted account of my talks. They have not understood the significant meaning of my talks at all. I believe such problems will not happen if they judge my talks as a whole." "People all asked me why I don't clarify my views. To be frank, this kind of improper criticism almost happens daily. You can see books published about Li Teng-hui mostly give distorted interpretations and draw farfetched analogies. Under such circumstance, how can I explain all those things one by one?"

Feel No Qualms Upon Self-Examination, Justice Rests in People's Mind

"It may not sound nice. If I really try to clarify all those criticisms one by one, I really cannot answer all of them and I will have to put aside all other things." The president said: "I often think that after a period people can understand the 'right and wrong' and, besides, I also think that 'the heaven will watch the people's behavior.' So long as I have a clear conscience, I believe the people will make the judgment."

Contrary to facts, with the approaching of election, many candidates have used improper remarks to slander our head of state and the situation has become increasingly serious. Seeing and hearing such things, people all seem unfair to the president.

Since the beginning of this year, the most questionable thing about the president is his remarks when he was interviewed by Japanese writer Ryotaro Shiba, such as "the misery of Taiwanese people," "the Kuomintang is a political power from outside," and "Exodus" from the bible. Those things were misunderstood to a varying degree.

The president said: Due to poverty, the Chinese people in this era are often overconscious of misery; but now the overall environment and social situation have changed. "What I want to say is that we cannot say that consciousness of misery is not good, but the young people should discard this burden and cultivate more positive and progressive spirit of struggle."

"Of late, I often mentioned a common entity of life [sheng ming kung tung ti 3932 0730 0364 0681 7555] and it has also been misinterpreted as a narrow sense of native land. In fact, this concept is to promote the establishment of a

social foundation to serve the people and to promote cultural activities. This kind of social consciousness is precisely derived from the concept of "a common entity of life." The president pointed out: "Although we emphasize a diversified society, we should establish a basic belief; i.e., seeking a common understanding in 'a common entity of life.'"

On President Li Practicing "Taiwan Independence" or "Independent Taiwan"

The president said: For a long time, many people have suspected me and said that Li Teng-hui favors "Taiwan independence [tai tu 0669 3747]." When they cannot justify their statement, they have only changed the wording to "Independent Taiwan [tu tai 3747 0669]." In fact, such an unfounded statement is nothing but a trick. We have a National Unification Council and a National Unification Program. In recent years, the government has been conducting cross-strait exchanges under the guidance of the program. Please review my speeches of these years. Have I expressed any views in support of "Taiwan independence" and how could I be suspected of favoring "Taiwan independence" or "Independence"?

National unification is not only a proposition which the president has long emphasized and upheld. It is also an established policy of the government, and the government is persistently working hard for its realization. However, the question is in what form the unification should be achieved. The president said: "What we insist on is a national unification with freedom, democracy, and common prosperity. The Republic of China's [ROC] existence in Taiwan is a fact, and it is the hope of all Chinese people. My proposals today on substantive diplomacy and on arms purchase abroad are for the purpose of enhancing our country's international standing and strengthening our defense capability. Only when we have strength can we have the ability to discuss unification. Unification does not mean letting the Communist Party swallow us up."

"Nevertheless, others question about my proposal on substantive diplomacy and say that Li Teng-hui in fact favors 'Taiwan independence.' As a matter of fact, whoever makes these remarks is ignoring our national situation, as well as the international situation. Please consider an analogy. When a child has grown up, he shouldn't be asked to stay home everyday. The ROC has developed itself. Today, we must not keep our hands in pockets and do nothing. We should step into the international community, let the world people know ROC's existence in Taiwan, and enable ourselves, the Chinese people, to stand proudly in the international community. This is why I have repeatedly put forward the value and significance of existence, development, and hope."

"Under such a situation, we in fact have a great deal of work to do to practice political party politics, strictly govern the country with law, establish a harmonious society, and promote cultural construction. We must think of ways to overcome difficulties no matter how great they are. We will fear no adversity only when we ourselves are good."

On "Being Deplorable To Be a Taiwanese"

When interviewed by Japanese writer Ryotaro Shiba, the president mentioned "being deplorable to be a Taiwanese," and he received a great deal of criticism for the remarks. Some people are also worried about him for the remarks. Particularly, some people are confused when he talked about "external political power [wai lai cheng chuan 1120 0171 2398 2938]." On this, the president said: "Being deplorable to be a Taiwanese" means Taiwan of the past. All the people of the older generation know the situation when Taiwan was under the Japanese rule. In those years, Taiwan people were given an extremely unfair treatment in terms of children's education and everyday life, and they were even punished for speaking their own national language. Please imagine a life under that situation. How could Taiwanese people not be deplorable at that time? Am I wrong to say that Taiwanese were deplorable?

The president believes that "as compared with the past, the Chinese people in Taiwan today indeed enjoy a great deal of happiness. In the past, people dared not speak their mind and they needed freedom, democracy, and a free and democratic society. When I was a child, the elders often told me: 'Children have only ears, not mouth.' What does that mean? It shows to a certain degree that in the society then, it was better not to talk too much. If one talked too much, it was commonplace that he would be detained for questioning or taken away next day."

On "the Kuomintang Being External Political Power"

"The society in which we live today is a free society. What we dared not speak or criticize in the past is no longer subject to any prohibition. I am very objective in saying so. I do not and should not deceive people. In fact, this is a historical evolution. We should know the history of Taiwan's being ruled by the Netherlands, the Ching Dynasty, and the Japanese. As a matter of fact, everyone knows clearly that the Taiwanese people in the past contributed efforts and participation but had no right to speak."

What is "external political power"? This question has caused some controversy. The president said: "To the Taiwan people who were not ruled by the Kuomintang before 1945, this is their viewpoint as the ruled. It was precisely for this reason that I demanded the Kuomintang to 'reopen the old store' and to indigenize itself and become a party supported by all the people. It should be a party of all the people, not a party of only those who have come to Taiwan from elsewhere. If it does not achieve this change, how can it win in election? Without the people's support, how can it survive?"

On "Exodus"

In addition, the president's citation of the story "Exodus" from the Old Testament has been twisted by people. In fact, the president had a profound intention to point out that Moses led his people to settle on Sinai peninsula, set

the "Ten Commandments," undertake a brand new reconstruction with free will, promote mutual respect, and form a common entity of life.

The president said: In a modern democratic country, the people should be given a free will to establish a just and fair society. If the authoritarian power is not broken, the people will be unable to develop their ability fully. Then, their morale will be affected and the normal development of the society and the country will be obstructed.

In citing the "Exodus," the president's most important intention was to encourage the people to apply new thinking and new attitude in Taiwan's development today, build the country, and work for long-term peace and stability of the country. It is necessary to carry out judicial and administrative reforms. It is particularly necessary to have new concepts in cultural and educational development. All these are for the future generations and the national development.

Here, I would like to especially point out one thing. The president has never said to those who advocate independence of Taiwan and the members of the Democratic Progressive Party: "Unification is just a lip service. In fact, I share your views in my heart." Nor has he told the representatives of the World Taiwanese Federation: "Don't charge too fast. Take your time."

The author has checked the record of the president's meetings with visitors and the video tapes of the president delivering speeches in his capacity as the Kuomintang chairman. He did not make those remarks.

On 1 November 1993, the chairman mentioned "harakiri" at Huang Hsiu-meng's campaign headquarters in Tainan County. Some people accuse the chairman for not keeping his word. It is not so. In fact, his original remarks were: "Some people say that the Kuomintang embezzles. May I ask you whether Li Teng-hui will embezzle? Has Li Teng-hui worked hard for Taiwan, the people, and our farmers since his childhood? You should know these facts. Please trust me. If what I have said is untrue, I am willing to commit a "harakiri."

"The Kuomintang Is Only 2 Years Old"

A fuss has been made of late over Chairman Li's comment that the Kuomintang is only 2 years old. This is another example of deliberate misinterpretation out of context and incorrectly spreading erroneous information. As a matter of fact, the comments made by Chairman Li on that occasion are as follows: "The Kuomintang does have quite a few merits. The people's expectations and demands of the party and how the party itself should make a breakthrough out of the existing state of affairs following the 14th Kuomintang National Congress remain issues of paramount importance. We know that the people want the Kuomintang to do what it can, to truly solve problems for them, and to continue leading them. If we do not deliver on these, the people will be very uneasy. For this reason, I will, in addition to appealing for your support for Tsai

Sheng-pang today, say a few words about how the Kuomintang has changed. I probably won't be able to explain fully in one or two hours. In a nutshell, however, as chairman of the Kuomintang standing here in front of the people, I am appealing to you that the Kuomintang is indeed good and needs your support. Although the party has a history of 100 years, the Kuomintang today that is based on new ideas and new service is only 2 years old. The old Kuomintang made great contributions to the nation. It has been changing genuinely and thoroughly. The Kuomintang underwent changes in Dr. Sun Yat-sen's times, as it did when Presidents Chiang Kai-shek and Chiang Ching-kuo were around. It is changing too now with me as the chairman, changing for the better for this land, for a better foundation for the nation's development, and for the security and peace of the people of this land."

I took great pains writing this piece not merely because I was saddened by the misinterpretation of the president's remarks. The more important thing is to tell the truth so that the nation will not be misled by misrepresented ideas. This would be good for the state and the nation.

APEC Technology-Transfer Seminar Opens in Taipei

OW0612083394 Taipei CNA in English 0755 GMT
6 Dec 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Dec. 6 (CNA)—An Asia-Pacific Economic Cooperation (APEC) technology-transfer seminar opened at the Taipei International Convention center Tuesday [6 December].

Jointly sponsored by the Ministry of Economic Affairs and the Industrial Technology Research Institute, the seminar will continue through Wednesday.

More than 50 representatives from 16 APEC members and 150 domestic academics, experts and government officials are taking part in the event, which has "the promotion of technology transfers in the Asia-Pacific region" as its theme.

Hsueh Chi, vice chairman of the Council for Economic Planning and Development, and Stan Shih, chairman of the Taipei-based Acer Group, will deliver keynote speeches at the seminar.

Noting that Taiwan's hosting of the seminar is of great significance, Vice Economic Affairs Minister S.J. Li said that Taiwan is expected to play an increasingly important role in the regional organization.

Taiwan proposed to host the seminar in February when the APEC industrial technology workshop held its fifth meeting in Manila, Li pointed out.

After heated discussions, delegates to the APEC workshop decided to hold the technology-transfer seminar in Taipei despite opposition from Mainland China, he added.

Founded in 1989, APEC now groups Australia, Brunei, Canada, Chile, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

Taipei Signs High-Tech Accord With Russia

OW0612084294 Taipei CNA in English 0801 GMT
6 Dec 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Dec. 6 (CNA)—An arm of Taiwan's National Science Council (NSC) Monday [5 December] signed a technology cooperation agreement with the Russian Academy of Sciences, marking a stride forward in high-tech interflow between Taiwan and Russia.

Under the agreement, both sides will cooperate on production of microlenses and analytical instruments, as well as surface processing of diamond-like thinfilm beginning early next year, a spokesman for the NSC's precision instrument development center said.

The agreement is expected to upgrade the technological level of Taiwan's optical lenses, precision instruments and precision processing industries in Taiwan, the spokesman noted.

The cooperation agreement will also allow personnel exchanges between both sides as well as allow Taiwan to self-produce projectors and optical lenses, the spokesman added.

Professors Andrey L. Mikhaelyan, Vitaliy I. Konov, Yevgeniy M. Diyanov and 1981 nobel laureate in physics Arthur I. Schawlow signed the agreement with Director of the Precision Instrument Development Center Huang Wen-hsiung.

The four Russian scientists praised the center's advanced optical equipment and its sound research and development infrastructure.

Schawlow will deliver a speech at the seminar of the Optical Engineering Society of the Republic of China [ROC] on Friday morning.

During their week-long stay here, they will visit the Hsinchu science-based industrial park, the Industrial Technology Research Institute (ITRI) and the Hsinchu-based Synchrotron Radiation Research Center (SRRC).

The Russian scientists arrived in Taipei Dec. 9 at the invitation of the NSC and they are scheduled to leave on Dec. 11.

New Taipei Mayor Claims Whole 'Country' for Himself

HK0612070194 Hong Kong SOUTH CHINA
MORNING POST in English 6 Dec 94 p 11

[By Dennis Engbarth in Taipei]

[FBIS Transcribed Text] "I am not only the mayor of Taipei but of this country of Taiwan, of the Republic of China," said Chen Shuibian, the mayor-elect of Taipei municipality yesterday.

Mr Chen, 43, a legislator for the opposition Democratic Progressive Party (DPP) defeated incumbent Huang Ta-chou of the ruling Kuomintang and legislator Jaw Shau-kong of the right wing New Party in Taipei's first mayoral election since 1964 on December 3.

After a bitter campaign, Mr Chen gained 44 per cent of the 1.4 million votes cast while Mr Jaw and Mr Huang received 30 per cent and 26 per cent, respectively.

Mr Chen, who will be inaugurated on December 25 said the 13 percentage point margin showed a "firm popular mandate" and expressed "absolute confidence" that he would have gained a majority in a one-on-one race. He said the DPP now had 18 seats (up from 14) in the Taipei City Council, compared to 19 for the Kuomintang (down from 26), 11 for the New Party, and three independents.

"This offers 'relative stability' for my administration and good prospects for implementation of our programme," he said. Mr Chen promised to promote a "new government movement" to achieve "efficient, clean, and convenient administration. This is what Taipei city needs most from Chen Shuibian if it is to become a world-class city. As Taiwan is more democratic than Hong Kong or Singapore, it should have even better preconditions to achieve an efficient, clean, and convenient administration. But this was never achieved under the appointed mayors."

"The most important issue is improvement in the quality of life. Taipei can only become a world-class city if we improve the quality of life and the living environment," he said.

But Mr Chen had reservations about whether Taipei should continue to lobby for the 2002 Asian Games. "As the current quality of life here is simply awful, we should first strive for real improvements in transportation, housing, security, the environment, and cultural life before considering such massive projects," he said.

He vowed to cooperate with efforts by the central government to improve Taipei's infrastructure, including a proposed financial centre near the city's World Trade Centre. "I fully support all other feasible activities that can upgrade our international standing," Mr Chen said. "I'm not just the mayor of my city, but the mayor of this country of Taiwan, of the Republic of China."

He said he would disappoint critics who expect the DPP leader to openly clash with the central government. Mr Chen said he had assurances from premier Lien Chan that the participation of the Taipei mayor in the weekly cabinet meetings would not be affected by party membership.

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Hong Kong

Vow To Dismantle Legislature Reaffirmed

HK0612121994 Hong Kong AFP in English 0924 GMT
6 Dec 94

[FBIS Transcribed Text] Beijing, Dec 6 (AFP)—China reacted Tuesday to the Hong Kong government's announcement of Legislative Council elections next year by reaffirming its intention to dissolve the body when it resumes sovereignty of the British colony in 1997. "The Hong Kong British government's three-tier political structure will come to an end on June 30, 1997," said a spokesman for the State Council's Hong Kong and Macau Affairs Bureau.

Following the breakdown of talks last year between London and Beijing over Hong Kong Governor Chris Patten's controversial reforms, China vowed to dismantle the colony's legislative and executive councils, together with the smaller district boards. "The Chinese government's principled stand on this matter is unchanged," the spokesman said, following the Hong Kong government's announcement Monday that it would go ahead with the Legislative Council elections on September 17, 1995, in defiance of Beijing's stance.

Sometimes acrimonious talks between China and Britain on the reform issue broke down last year after 17 rounds, but the Legislative Council went ahead and passed Patten's reform measures in June. Under the reforms, all but 10 of the 60 seats in the legislature will be filled by a British-style, one-man one-vote system. The remaining 10 seats will be decided by an electoral college that would itself be directly elected.

Previously, 30 seats had been set aside for industrial sectors and special interest groups or "functional constituencies," who appointed council members. Patten felt the earlier system was open to manipulation and corruption.

Britain Urged To Solve Refugee Problem

HK0412022694 Hong Kong HONGKONG STANDARD
in English 3 Dec 94 p 12

[Editorial: "Boat People Are Britain's Problem"]

[FBIS Transcribed Text] Britain must take full responsibility for the Vietnamese boat people problem. It was Britain that insisted Hong Kong accept all the boat people. It is now Britain's turn to come up with a solution to this imbroglio.

Unfortunately the British authorities do not see it this way. They have repeatedly expressed reluctance to take Vietnamese boat people from the territory.

It will soon be 20 years since Saigon fell, on 30 April 1975. The world, including Vietnam, has changed since then. Legislator Ronald Arculli recently reminded us that such places as Rwanda have become the focus of international attention and compassion.

We do not agree with Mr Arculli's warning that Hong Kong is likely to be flooded with Rwandan refugees. But we do agree with another comment Mr Arculli made at the same time: Britain should take more Vietnamese boat people from the territory.

London should also urge Washington to use its international influence to help solve the problem.

We have already noted that Vietnam has changed in the past 20 years. One reason for this was Washington's decision in January to lift the trade embargo against Vietnam.

While we are not necessarily asking Washington to take more boat people from Hong Kong—it has taken about 50,000 since 1979—we believe it has acquired enough influence with its former foe to be able to bring pressure to bear on the Vietnamese to take their own people back.

Vietnam agreed in February to discuss international plans to repatriate thousands of asylum seekers languishing in camps throughout Asia. It was unfortunate that Hanoi decided to set certain conditions. It stressed, for example, that the repatriation must be conducted voluntarily.

It is equally unfortunate that the vast majority of boat people here are not ready to volunteer to go home.

But no one should doubt the anger and frustration of the people of Hong Kong. The territory's patience, as well as its facilities, have been taxed to the limit.

Why are the boat people refusing to go home? Old assumptions, it seems, die hard. Many boat people here have been reacting to an old—and false—assumption that there is no future for them in their homeland.

Secretary for Security Alistair Asprey rightly pointed out in April that such people are living in a "time warp". He correctly noted that there have been many positive developments in Vietnam lately. These include increased foreign investment, market restructuring and improved infrastructure.

Washington could do a great deal to persuade Hanoi to take a great many of its own people back. The remainder, we submit, are Britain's problem.

Government Challenged on Deportation of Boat People

HK0612091394 Hong Kong EASTERN EXPRESS in
English 6 Dec 94 p 3

[By Kieron Flynn]

[FBIS Transcribed Text] The government today faces the prospect of yet another legal challenge to its controversial treatment of Vietnamese asylum seekers—this time over its plans to deport 156 ethnic Chinese detainees.

The welfare and lobby group Refugee Concern which last week launched a landmark legal action to force the release

of hundreds of Vietnamese migrants—yesterday confirmed it had started an investigation to assess whether it could prevent the deportations.

A spokesman for the group Rob Brook, said the group believed the government had illegally detained the 156 and they hoped to seek an injunction preventing their transfer from Hong Kong pending a full hearing of the case.

The detainees are being held at Lower Chi Ma War Detention Centre, Lantau, and all 156 are classified by the Government as ex-China Vietnamese illegal immigrants (ECVIs) and not subject to the refugee screening process on the basis that they lived in China as well as Vietnam. But Brook said many had spent as little as two years in China and claimed they should be subject to the same assessment procedure as other Vietnamese migrants. "All of them have lived in China but many others, who have been classified as Vietnamese migrants, have as well," he said. "China hasn't accepted them as nationals or de facto nationals and we understood they had refused to accept these people. There doesn't seem to be mention in the legislation of any category called ECVIs and so the government could be obliged to screen them and treat them the same as the others. If they have to be screened they can't be deported."

He also believed the 156 most of whom had stayed in Beihai, Guangxi Province during their time in China—would be persecuted if returned there and said this fear could also provide possible grounds for an injunction. "It is accepted under international law that refoulement, returning to a country a person who faces persecution, is not permissible," he said.

The Immigration Department assistant director for Vietnamese refugees, Choy Ping-tai, expected 41 of the 156 would be deported before Christmas but said the remainder would stay in Hong Kong until late January. "One hundred and fifteen will be deported to Guangxi so we have to wait as it is very difficult to get a flight now," he said. "The others will go to the (Hong Kong-China) border or on regular flights to other provinces. They are illegal immigrants; they are being resettled. We believe they are telling lies about where they are from." The Security Branch and the United Nations High Commissioner for Refugees refused to comment.

Weeks of pressure on the government following its release of 125 Vietnamese boat people on November 15 and embarrassing revelations about its treatment of asylum seekers, is expected to come to a head tomorrow at the Legislative Council.

Legislators will debate a motion by the security panel chairman, Selina Chow, calling on Britain to take responsibility for the 24,000 boat people in the territory and close all detention centres by the end of next year.

And next Monday a UN committee investigating human rights in Hong Kong will release its report, including its findings on the government's treatment of the boat people.

Patten Stresses Importance of Japan Relationship

OW0612120594 Tokyo KYODO in English 1118 GMT 6 Dec 94

[FBIS Transcribed Text] Hong Kong, Dec. 6 KYODO—The relationship between Hong Kong and Japan is important and will continue to grow before and after the transfer of sovereignty to China in 1997, Gov. Chris Patten said Tuesday [6 December].

Addressing Japanese media prior to his trade and business promotion trip to Tokyo on Dec. 13, Patten said that Japan has helped build Hong Kong's economy and infrastructure.

"Japan is Hong Kong's third-largest trading partner. Japan is our second-largest source of imports," Patten said. "Japan is also the largest external investor in Hong Kong's manufacturing sector, and Hong Kong is Japan's second-largest investment destination in Asia, accounting for about 20 percent of Japan's investment in the region."

"I'm obviously very conscious of the very important role which the Japanese business community plays here in Hong Kong. There are 1,700 Japanese companies in Hong Kong, over 90 of them use Hong Kong as their regional headquarters, another 257 use Hong Kong as their regional offices to oversee general business activities in the region. There are about 41 Japanese banks here. All that is a manifestation of the importance of the economic links," Patten said.

In his second visit to Tokyo as governor of Hong Kong, Patten will meet with Prime Minister Tomiichi Murayama, business leaders and other senior officials during a four-day trip.

Governor Patten Admits School Drug Abuse Increasing

Calls Ignorance of Risk 'Alarming'

HK0612065794 Hong Kong SOUTH CHINA MORNING POST in English 6 Dec 94 p 3

[By Joseph Lo]

[FBIS Transcribed Text] Efforts to fight drug abuse in schools were failing, Governor Chris Patten admitted yesterday. Mr Patten, speaking at the opening of an international conference on drug abuse, said he was alarmed at the ignorance shown by pupils of the danger of drugs.

This was reflected by a 147 percent increase in drug abusers under 21 between 1989 and last year. The total number of reported drug abusers in that period had risen 15 percent to 17,000, while the number under 21 had grown to 3,000, Mr Patten said. "While we can be reasonably certain that the problem of drug abuse would have been even worse had we not had an extensive programme of preventive education and publicity, recent surveys show

an alarming ignorance of the risks of taking drugs, particularly psychotropic substances. The coverage and efficiency of our education effort is clearly deficient," Mr Patten said.

The government was planning to expand the Hospital Authority's treatment services for psychotropic substance abusers. It was also establishing a new counselling centre and two more residential treatment centres for young drug abusers.

On the law enforcement front, the Department of Health was increasing the number of pharmacy inspectors. A special taskforce would be formed to help prosecute offending drug retailers.

Mr Patten said he would chair a summit conference next year with schools, parents, and nongovernmental organisations to plan a communitywide education and support effort to try to halt the growing trend for drug abuse.

But the head of the Hong Kong University Drug Addiction Research Unit, Dr Jeffrey Day, said the government would have to consider decriminalization of drugs. "I'm talking about all drugs because the harder the drug, the more profit there is to be made out of it if it is a criminal drug. On the other hand the harder it is, the more careful the control has got to be if we are going to get involved in decriminalization," he said.

He said there was an enormous drain on the judicial system and economy, given that many millions of dollars were spent by known existing heroin abusers annually. "We have an enormous profit nature which leads people to push drugs, if there is no profit in selling drugs then there is no point in pushing them to that degree," he said. "The whole community must understand what decriminalization is all about and the young particularly must understand that this is not a free-for-all on drugs before we can even begin to consider it as a reality."

The Commissioner for Narcotics in the Security Branch, Alasdair Sinclair, said the increase in the use of drugs among people under 21 was alarming. He said the concept of decriminalization needed to be more clearly defined but even in the context of cannabis he did not consider it to be an appropriate action. He said the public outcry when the suggestion of decriminalization was made by two senior judges showed there was no way the people of Hong Kong would accept it.

Editorial on Drug Problem

HK0612065994 Hong Kong SOUTH CHINA
MORNING POST in English 6 Dec 94 p 26

[FBIS Transcribed Text] The Governor's proposals for helping combat Hong Kong's drugabuse problems are good—as far as they go. The territory desperately needs the treatment centres, rehabilitation facilities, and counselling units which Chris Patten promised yesterday. It will need many more when those are provided.

Mr Patten rightly promised improved training and support for social workers and education programmes for parents and teachers. The development of community policing may be still more significant. The benefits of helping the police, as he put it, "to be seen as role-models, standing with and protecting the community, not as authoritarian enforcers" cannot be over-stated. But far more needs to be done on this front in the schools and among the community. Some alienated youth may already be beyond the outreach which community-policing implies. But a society which respects and befriends its police force and is respected and befriended by officers is better able to combat drugs and crime than one which distrusts the law.

However, Hong Kong has only begun to tackle its problems. Mr Patten's promise to chair a conference next year to bring together schools, parents, and nongovernment organisations to discuss drugtaking is an important first step. But it will require resources, imagination, and long-term commitment to succeed where the rest of the world has so dismally failed.

Daily Rejects Overseer for PRC Firms, Basic Law

HK0612070594 Hong Kong SOUTH CHINA
MORNING POST in English 6 Dec 94 p 26

[Editorial: "HK Can Be Trusted"]

[FBIS Transcribed Text] Hong Kong Affairs Adviser Chang Ka-mun, of the Association for Democracy and People's Livelihood (ADPL), has been refreshingly candid about his suggestion that a top Chinese official be stationed here after the handover to oversee the operation of mainland institutions and guarantee the implementation of the Basic Law. It is rare for the public to be let in on any of the freelance policy proposals the 140plus Hong Kong Affairs Advisers have been recruited to whisper into official ears at the Hong Kong and Macau Affairs Office and Xinhua (the New China News Agency).

However, Mr Chang's unusual openness—though welcome—is a demonstration of just how unfortunate his colleagues' habitual secrecy is. If others' advice is of a similar quality, then it would certainly benefit from closer public scrutiny. China should not be lulled into the assumption that its advisers' views are necessarily representative of Hong Kong opinion at large.

Like some of the ill-considered ideas emanating from the Preliminary Working Committee (many of whose members double as advisers), Mr Chang's proposal seems to have been conceived with the object of demonstrating unquestioning trust in the wisdom and good intentions of Beijing rather than providing practical solutions to Hong Kong's problems. Such advice will benefit neither Beijing nor Hong Kong. Advisers who see their role as flattering mainland egos—in this case by portraying an individual emissary of central government as a more reliable and incorruptible "guardian" of the Basic Law than the institutions of the future special administrative region government—do the territory a disservice.

Mr Chang's critics are right to argue his proposition would invite central Government interference. "One country, two systems" should not be taken to mean mainland institutions should operate under a separate system within Hong Kong. The key to ensuring mainland companies and institutions do not abuse their positions here after 1997 is not to bring in a mainland cadre to oversee them but to ensure they are subject to the same laws and controls as their Hong Kong counterparts. They must be expected to compete for business under the same commercial conditions and meet the same standards. They must fall under the jurisdiction of the local authorities and be subject to investigation by the Independent Commission Against Corruption and the Commercial Crimes Bureau.

Mr Chang's reported fears that the local institutions may not be trusted to implement the Basic Law are more worrying. If they prove susceptible from pressure to turn a blind eye to the wrongdoings of mainland institutions, they will rapidly lose the trust of businessmen and of the public at large. But that is all the more reason to strengthen their hand in advance both through legislative empowerment and by the appointment of leaders of proven probity and experience. The appointment of a central government overseer would undermine their power and determination to deal with mainland institutions and would ultimately enfeeble the Basic Law itself, which limits the central government's role to foreign affairs and defence. The Basic Law says Hong Kong should run its own affairs—and it should be trusted to do so.

Team of Officials To Investigate Mainland Firms

HK0612074094 Hong Kong *EASTERN EXPRESS* in English 6 Dec 94 p 1

[By Bruce Gilley]

[FBIS Transcribed Text] A team of senior Chinese officials will be sent to investigate mainland-funded companies in Hong Kong as Beijing moves to impose severe punishment, including execution, on corrupt cadres here.

Hong Kong Government officials have expressed guarded hopes that the team may begin to tackle a problem that the territory's anticorruption body is believed to face great difficulties in pursuing.

A "leading group" to look into overseas companies has been formed under the Chinese central government's State Assets Administration. Cao Huicong, the general secretary of the Hong Kong China Enterprises Association, said yesterday.

While the Hong Kong arrival date of the team was uncertain, An Jitao, the deputy head of the economics department of the local branch of the New China News Agency (Xinhua), said there would be "more than one special team coming" to investigate the companies.

He declined to comment on whether the teams would investigate corruption but said that, in the past, "individual departments came to investigate certain problems. The

government (in Beijing) wants to get a better understanding of the mainland companies here. They will send these teams to investigate the situation of their operations," he said.

China's deputy procurator-general, Liang Guoqing, said earlier this year that China wanted to take "direct action" against corrupt cadres in Hong Kong but later qualified the statement by saying it did not mean interference in the territory's jurisdiction.

A Hong Kong Government spokesman said it was unlikely the mainland team would be subjected to any special requirements by the government. "This is clearly a prerogative of the Chinese side. They can do what they deem fit," the spokesman said. "We don't like corruption and welcome anything which would eradicate it but I have no comment on whether we would 'welcome' this team."

Problems such as corruption and unauthorised property speculation are believed to be widespread among the 1,658 mainland companies in the territory. A large amount of the more than \$195 billion in state assets they have invested here is believed to have been embezzled into private hands or shifted into newly established private companies.

There were 110 graft complaints involving mainland firms lodged with the Independent Commission Against Corruption until August this year, of which 52 were being pursued.

The ICAC is believed to face great obstacles when investigating corrupt mainland officials in Hong Kong due to their government connections across the border.

Of the estimated 65,000 mainlanders working for Chinese Government companies in Hong Kong, most are members of the Communist Party and more than half are believed to be middle-to-senior-level cadres. In March, the director of the Hong Kong and Macao Affairs Office, Lu Ping, criticised mainland companies in Hong Kong for rampant property speculation and Beijing later despatched a senior official, Deng Qiang, on a secret mission to investigate the problem.

The extent of corruption has prompted Beijing to order the execution of any cadres sent to Hong Kong whose corruption "causes great losses to the state," according to a report in the Guangzhou-based Nanfang Daily. It said Li Jianhua, the former manager of a Shenzhen company's Hong Kong branch, was put to death for embezzling more than 1.6 million renminbi (HK\$1.5 million).

Conference Sees 'Bleak Future' for Journalists

HK0412022494 Hong Kong *EASTERN EXPRESS* in English 3 Dec 94 p 6

[By Michael Bociurkiw]

[FBIS Transcribed Text] Hong Kong journalists face a bleak future under Chinese rule, a regional conference on the media was told yesterday. Ivan Tong, the chairman of

the Hong Kong Journalists Association, said local journalists are going through what he described as "a period of uncertainty and indefatigable change".

Tong said journalists will be expected to back off from criticising China and the Communist Party, after 1997. "Certainly there's a lot to worry about," he said. He said that much of what happens in the future will depend upon political developments in China. While journalists now have relatively little problem accessing sources in the business community, reporters can expect "a totally different picture after 1997 when China has much more influence over Hong Kong affairs", Tong said.

In Hong Kong, two approaches are used by Chinese authorities to keep the local media in line, Frank Ching, a columnist with the Far Eastern Economic Review, said. One is the stick approach, which involves a variety of pressure tactics—from withholding Chinese visas to demanding lists of stories before journalists are allowed to go to China on assignment. The other is using the carrot: wining and dining editors and journalists. "The two used in combination can be quite effective," Ching said.

The introduction of more competition in local English language newspaper industry has helped strengthen press freedom, Ching said. He said that the launch of Eastern Express might have encouraged the new proprietors of the rival South China Morning Post to maintain an independent line. Ching said there was no lack of examples of how the local broadcast media was practising self-censorship—even though the transfer to Chinese sovereignty was nearly three years away. He cited ATV's [Asia Television Limited] reluctance to screen a controversial documentary on the Tiananmen Square massacre and TVB's [Television Broadcasts Limited] refusal to broadcast a BBC documentary on Mao Zedong.

While the scenarios predicted for local media institutions under Chinese rule appear bleak, the proprietors of foreign-owned regional publications based in Hong Kong said they had no plans to move their base of operation outside of the territory. "We have absolutely no plans of going anywhere," Urban Lehner, the editor of the Asian Wall Street Journal said. "We are hopeful we will be able to continue here after 1997." Lehner said there is no better place to cover the unfolding China story than from Hong Kong. He said Dow Jones's recent decision to publish a weekly Hong Kong supplement was proof of the company's commitment to the territory.

Recent public opinion polls show that Hong Kong people harbour an extremely pessimistic view of their future under Chinese rule. One survey cited at the seminar yesterday said that 60 per cent of the Hong Kong public believed there would be less freedom of expression after 1997 than there is now.

"It will become more dangerous for Hong Kong journalists to cover events in Hong Kong," Terry Cheng, the deputy editor of the Hong Kong Standard, said. "The rules of the game for media after 1997 will not be entertained the same as they are now," he said.

When one speaker suggested some accommodation should be made with Beijing, Cheng said: "If they think you are a friend they will be more tolerant to criticism". Cheng went on to suggest that perhaps local journalists should attempt to gain a clearer understanding of mainland affairs. "We don't feel the Chinese views are accurately reflected," he said.

Officials, Journalists Boycott Forum

HK0412022594 Hong Kong EASTERN EXPRESS in English 3 Dec 94 p 6

[By Michael Bociurkiw]

[FBIS Transcribed Text] Chinese officials and journalists have boycotted a regional conference on press freedom which began in Hong Kong yesterday. Organisers of the two-day conference—the US-based Freedom Forum and the Foreign Correspondent's Club (FCC) of Hong Kong—said they had sent several invitations to China and to editors of pro-Beijing newspapers in Hong Kong.

"Informal" overtures were also made to the New China News Agency (Xinhua) office in Hong Kong. All the invitations were either declined or received no response. "We made the effort but we didn't get any takers," an FCC organiser, Carl Goldstein, told the assembly of Asian journalists and proprietors.

The issue arose during a forum yesterday afternoon on the state of Hong Kong media after 1997. Delegates voiced surprise that there were no representatives from the world's most populous country and the future administrator of Hong Kong.

Among those invited from China were the editor of the China Daily, who was reported to have been keen to attend but was prohibited by officials. Several Chinese journalists were also courted as potential speakers and participants.

The theme of the conference is Asian press freedom. Sessions explored the controversial definition of "Asian values" and the media's role in society. Participants included Malaysia's Deputy Prime Minister, Datuk Seri Anwar Ibrahim; the editor-in-chief of the Singapore Straits Times, Cheong Yip Seng; and Sondhi Limthongkul, the publisher of Asia Inc magazine. The conference included a significant Taiwanese presence: one of the speakers was Lee Wan-lai, the executive deputy editor-in-chief of the Central News Agency.

Organisers said they were disappointed that no one could attend from China. "We regret that they didn't accept our invitation," John Schidlovsky, a director of the Freedom Forum's Asian Centre in Hong Kong, said.

Daisy Li, the vice-chairman of the Hong Kong Journalists Association, said it was regrettable that there was no representation from the mainland, as the conference attracted speakers and delegates from most parts of Asia. "All of them have different interpretations of what freedom of the press is and they agreed to come," she said.

"Basically, we agreed to disagree. The fact that there are no representatives from China is very revealing." Li believed that Chinese officials found the issue of press freedom too sensitive, even more so since the forum was held in Hong Kong.

Airport Progress Depends on Supplementary Agreements

HK0412075394 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 4 Dec 94 p 2

[By Quinton Chan]

[FBIS Transcribed Text] A month after China and Britain signed a widely hailed accord on airport-related funding, it emerged Beijing has yet to even voice its views on two supplementary agreements, essential before progress on the project can properly start. A source close to the Chinese side told the Sunday Morning Post all the mainland team had done was ask about Britain's two draft financial supporting agreements (FSA) on raising debts.

The revelation casts doubts on the Hong Kong Government's private predictions the two FSAs would be resolved by next month, at the latest. The Provisional Airport Authority (PAA) and the Mass Transit Railway Corporation (MTRC) will not be able to borrow from banks without the agreements.

British and Chinese experts have met frequently in recent weeks to discuss not only the FSAs but also other related issues, including the Airport Corporation bill, which the Government wants to table in the Legislative Council next month. The two sides are still deadlocked over the MTRC. China insists the corporation set up separate accounts for both the airport railway's construction and operations but Britain has only agreed to the former. The draft FSAs are confidential. But it is understood they stipulate the Hong Kong Government, both before and after 1997, will support the two corporations in the event of adverse circumstances, as it is their sole shareholder. This means the administration will be responsible for completing construction of the airport and railway, if the corporations fail to do so. "This is the major principle of the two documents," a source said. "Only if the Government finishes the project, could the two corporations have the ability to repay their debt."

It is also believed the Airport Corporation FSA states the Government will defer any demand for dividends until the corporation has paid off initial project debts. In the event of a delay in the airport's completion, the Government will arrange for the PAA to receive the profits from Kai Tak airport. The corporation will also be excused other government charges like air traffic control for as long as is needed to repay the project's initial debt.

Speculation on Next Airport Head

HK0612073894 Hong Kong HONGKONG STANDARD in English 6 Dec 94 p 1

[By Laura Chan]

[FBIS Transcribed Text] Beijing is looking for a local Chinese to succeed Sir Hamish Macleod as chairman of the Provisional Airport Authority (PAA), an authoritative pro-China source said yesterday.

With Sir Hamish due to retire next year, and Beijing determined that his successor should lead a team through 1997, the next PAA chief could well be the first Hong Kong official handpicked by Beijing before the transfer of sovereignty.

The source said Beijing was looking at several possibilities but declined to identify any of them. However, he said: "The successor must be a permanent resident with a solid reputation... and should have a background of business and infrastructure management." The choice could mean that the future financial secretary, a post now held by Sir Hamish, might not automatically head the authority, although he would have to be on the board, the source explained.

The board currently consists of 15 members. Half are known to be pro-Beijing, the other half are Hong Kong Government officials. These officials include Secretary for Transport Haider Barma, Secretary for Works James Blake, Director of Civil Aviation Peter Lok, Secretary for Economic Services Gordon Siu, Secretary for the Treasury Donald Tsang and Chief Executive of the Hong Kong Monetary Authority Joseph Yam.

Mr Blake is also due to retire next year, while the post-1997 nationality status of Mr Barma is still uncertain.

The source also added that the next PAA chairman and all board members should become members of the Airport Authority—the successor body to the PAA—when it was eventually established.

He said that after the Airport Authority board was formed it should continue beyond 1997 because it was a matter of cohesion. "After 1997, the chief executive has the power to appoint a new group of people to monitor the airport projects. However, I hope that the members will stay on," the source said.

"The Chinese and British Governments should discuss the transition of these board members."

This suggestion had been put to Joint Liaison Group (JLG) Chinese team member Hu Houcheng. Mr Hu last week met with local members of the Chinese People's Political Consultative Conference at which the recently-signed Airport Agreed Minute between China and Britain was discussed. Concern about the PAA being an independent body, accountable to no one, was again raised.

Hong Kong Waste Disposal Plan Criticized

OW0512022294 Beijing XINHUA Domestic Service in Chinese 0824 GMT 4 Dec 94

[FBIS Translated Text] Hong Kong, 4 Dec (XINHUA)—Responding to reporters' questions on the Hong Kong Government's game plan for waste disposal yesterday, Zhu

Yucheng, deputy director of the XINHUA NEWS AGENCY's Hong Kong branch, said the question of waste disposal, being a scientific matter, must be approached scientifically and seriously.

Zhu Yucheng said: Many farsighted people in Hong Kong have noted that the Hong Kong Government's game plan for waste disposal is, in effect, a waste relocation scheme that resembles moving the waste of one house and dumping it in front of another; it cannot really solve the problem. He said: As a first step toward solving the waste disposal problem, the Chinese side has called for compiling an environmental impact assessment report—a scientifically based report on the degree of impact the Hong Kong Government's game plan for waste disposal will have on the environment. Starting the project hastily without such a report will be irresponsible. Efforts should be made to prevent the waste disposal scheme from becoming a taxing and wasteful plan that cannot work despite squandering the Hong Kong people's money.

Shenzhen Urged To Mediate in Property Dispute

HK0512090994 Hong Kong SOUTH CHINA
MORNING POST in English 5 Dec 94 p 22

[Editorial: "Shenzhen Should Mediate"]

[FBIS Transcribed Text] Reports that three Hong Kong residents involved in a property dispute have been detained by the Shenzhen Public Security Bureau, amid allegations of beating, are disturbing. As reported today, the three are among dozens of indigenous villagers who tried unsuccessfully over the weekend to block redevelopment of Heng Longgang village in Shenzhen's Nan Shan District. Eight protesting villagers, including five mainlanders, were arrested and detained.

The land dispute started two years ago. Villagers unhappy with the compensation package offered by the developer have organized a fight for better terms. They have alleged official corruption.

It is of course difficult to judge whether the compensation is adequate and fair as rules in China are different from Hong Kong's. However, commercial disputes should desirably be resolved through negotiations. The use of police might to steamroller a protest is a bitter pill for the villagers to swallow. The deployment of 300 officers brandishing guns and electric batons to intimidate disgruntled villagers also reflects negatively in the international arena.

Perhaps the Shenzhen Government should intervene to prevent further ugly confrontations between the police and defiant villagers. The Shenzhen Government may set up an ad hoc arbitration committee to help villagers and the developer resolve their differences.

The Shenzhen authorities' decision, if arbitration is accepted by both parties, should become binding. Alleged corruption should also be investigated. It is not uncommon for Hong Kong residents to be behind bars in China for months before they are charged, if at all.

The Shenzhen Security Bureau must be urged to release the detained Hong Kong residents and Chinese villagers. They are no hard-core criminals. They were only trying to protect their rights.

Property development in southern China has grown leaps and bounds in recent years. Land disputes are bound to emerge periodically. Establishing an arbitration body may safeguard interests of both indigenous residents and developers whose investments may be at stake.

News Analysis on Cross-Border Infrastructure

OW0412125694 Beijing XINHUA Domestic Service in
Chinese 1041 GMT 1 Dec 94

[News Analysis by Reporter Duanmu Laidi (4551 2606 0171 1229): "Coordination of Large-Scale Cross-Border Capital Construction Projects Brooks No Delay"]

[FBIS Translated Text] Beijing, 1 Dec (XINHUA)—Rapid economic development in the interior of the motherland, the southern provinces in particular, has injected new energy into Hong Kong's economic development. The economic and trade ties between China's southern region and Hong Kong are becoming closer and various kinds of contact between the two regions are becoming more and more frequent. The current transport links between the two regions are far from sufficient, though. Communications and transportation between Hong Kong and the mainland are an integral network and only when the various facilities are well-coordinated, can the entire transportation system work efficiently. How transportation between Hong Kong and the mainland, especially Guangdong, can be improved to match social and economic development is a major issue that needs coordination and cooperation between relevant departments of the two regions. To deal with the issue, Tony Eason, Hong Kong British Government Secretary for Planning, Environment and Lands, recently led a delegation to Beijing to hold talks with Zhang Liangdong, economic department director of the State Council's Hong Kong and Macao Affairs Office. They talked about coordination of large-scale cross-border capital construction projects and reached preliminary consensus. People hope that the Hong Kong British Government will take practical action on the basis of the preliminary consensus to facilitate the establishment of a coordination committee on large-scale cross-border capital construction projects.

According to the British Hong Kong Government's figures, 34 million people entered and left Hong Kong in 1991; this increased to 41 million in 1993. Of these, most were visitors coming to the mainland via Hong Kong or mainland people going to Hong Kong. In 1991, a total of 10.9 million tonnes of goods entered Hong Kong and this number increased to 13 million tonnes in 1993. Most were exported from or imported into the mainland via Hong Kong. Some experts have predicted that the number of containers transported from the mainland through Hong Kong will reach 2.8 million by 1997, and it will reach 4.7 million by 2000. Other statistics showed: From 1979 to

1993, the volume of goods transported to or from Hong Kong through Chinese highway border stations increased 76 times. The annual number of cars to or from Hong Kong through Chinese highway border stations increased from 91,000 in 1979 to 7,376,000 in 1993. The number of cars passing through the border stations everyday is more than 20,000. Following the thriving development of processing zones in south China, the Shenzhen Municipal Government predicted that the number of cars entering or leaving China through Shenzhen everyday will reach 36,000. At present, trucks and cars have to wait for a long time to pass the border stations. The roads are crowded and long lines of people are always seen at the border stations.

In recent years, large-scale capital construction projects being built or planned by the state include the Beijing-Kowloon Railway, Guangzhou-Shenzhen Express Railway, the Zhujiang Bridge, and the Shengang Passageway in west Shenzhen. In Hong Kong, the Hong Kong Government is improving the traffic network in northwest Xinjie [New Territories] and planning to build the Xibei railway. In addition, several large airports have been built, are under construction, or will be built in the Zhujiang Delta. It is obvious that China and the British Hong Kong Government need to coordinate with each other in deciding connection points and studying the feasibility of these large-scale capital construction projects. Nevertheless, overall planning for all these large-scale capital construction projects and coordination between the two governments are poor. Problems such as poor coordination and the lack of unified plans are acute. For example, according to its "Tunmen Bridge" plan, Zhuhai city will build a cross-sea bridge connecting Qiao island and Neil-inding island with Hong Kong's Tunmen. Yet traffic in Hong Kong's Tunmen is very congested, and the Hong Kong Government does not have any plans to improve the traffic condition in Tunmen; worse still, it has not even found a location on Tunmen for the construction of the bridge. Take another example, the Hong Kong Government's Xibei railway plan entails construction of a rail line that will enter China through Luomazhou. If that happens, it will not connect with the Beijing-Kowloon railway and will pass through the future downtown area of Shenzhen after it enters China. Here is a third example: According to the Shenzhen plan for the construction of the Shengang

Passageway to develop its western area, the passageway will go from Huangtian Airport to Shekou, then cross the Houhai Bay and connect with Hong Kong's Yuen Long by both highway and railway. However, the Hong Kong Government does not intend to improve Yuen Long's transport links to other regions, only planning to develop the Houhai Bay and Mipu Natural Preservation Zone. It is impossible to build a railway on the Mipu marshland. In addition, the capacities of cross-border transport facilities are not equal. For example, Shenzhen's Huanggang border station has a capacity of 50,000 per day; but the maximum capacity of Luomazhou, Huanggang's counterpart in Hong Kong, is only 19,000 cars per day. If poor coordination continues, it is bound to cause both sides huge economic losses.

In May, at a meeting held by the Preliminary Working Committee for the Preparatory Committee of the Hong Kong Special Administrative Region, Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, put forward a proposal to set up a coordination committee on large-scale cross-border capital construction projects. Members of the Preparatory Committee of the Hong Kong Special Administrative Region also called for the establishment of such a coordination committee as soon as possible. They said: To make the best of cross-border communications and transportation facilities, and to enhance the complementary functions of cross-border transportation facilities, we must strengthen the coordination and development of large-scale cross-border capital construction projects. If the transportation facilities of both sides cannot be coordinated, it will prevent Hong Kong's economy from further developing and affect the economic development of inland areas on the mainland, south China in particular.

According to information released by certain people, delegates from Hong Kong and the mainland will hold a meeting in Beijing at the beginning of December to discuss the establishment of a coordination committee on large-scale cross-border capital construction projects. People are looking forward to seeing both sides reach agreement on cooperating as soon as possible and to set up a coordination committee to coordinate cross-border capital construction projects to promote economic development in both regions.

Macao

Former Zhao Aide To Visit 10 December

HK0612074194 Hong Kong EASTERN EXPRESS in English 6 Dec 94 p 2

[By Harald Bruning in Macao]

[FBIS Transcribed Excerpt] The Chinese Vice-Minister for Civil Affairs, Yan Mingfu, will pay a three-day visit to Macao from Saturday.

Yan, 63, will visit the enclave at the invitation of the readers' charity fund of the pro-China Macao Daily News. The Vice-Minister will be accompanied by a five-member entourage.

On Sunday, Yan is scheduled to take part in the "Million March"—a charity event organised by the newspaper. The march is staged as an annual event to collect charity donations from the enclave's 400,000 inhabitants. The newspaper is not only China's de facto mouthpiece but also the best-selling newspaper in Macao, with a daily circulation of more than 50,000.

Yan is a former staff member of the disgraced Chinese Communist Party secretary-general Zhao Ziyang, and he is widely regarded as a moderate by intellectuals in China.

He was demoted in the wake of the Tiananmen massacre of June 1989 but was politically rehabilitated in 1991, and appointed to his present vice-ministerial post. [passage omitted]

Sino-Portuguese Cooperation Helps Macao

OW0312074694 Beijing XINHUA in English 0727 GMT 3 Dec 94

[“Roundup” by Wang Zhigen, Li Jianqing]

[FBIS Transcribed Text] Macao, December 3 (XINHUA)—Macao has recorded marked progress in various fields this year in an environment of friendly cooperation between Portugal and China.

The exchange of high-level visits between the two countries has further promoted their bilateral relations and cooperation in handling the matters concerning the change of administration in Macao in 1999.

Following Chinese President Jiang Zemin's visit to Portugal in November last year, Portuguese Prime Minister Anibal Cavaco Silva visited Beijing in April and Chinese Vice-Premier Zou Jiahua visited Portugal in October. Leaders of the two countries agreed to treat Macao as a bridge of friendship and cooperation and decided to increase dialogue on this issue.

Portuguese Governor of Macao Vasco Joaquim Rocha Viera's September trip to Beijing injected new vitality to this cooperation.

In 1994, the Sino-Portuguese Joint Liaison Group has done a great deal of work in dealing with the transitional affairs.

In line with the 1987 Sino-Portuguese Joint Declaration, the liaison group discussed, among other things, three major issues, namely, the localization of public servants and of law, and the officialization of the Chinese language.

Consultations led to a consensus of views on the involvement of Bank of China (BOC) Macao branch in note-issuing affairs in Macao, Macao's draft criminal law and Macao's accession to European Telecommunications Standardization Institution and other international organizations.

BOC Macao branch's involvement in issuing bank notes reflects the Chinese Government's commitment to Macao's smooth transition.

Since the beginning of 1994, the Macao Association for the Promotion of the Basic Law on the Future Macao Special Administrative Region and various local organizations and social institutions have organized a series of activities to publicize the basic law. These activities have enhanced local residents' confidence in Macao's future.

China's continued reform, opening and economic growth have provided more opportunities and room for Macao's development.

It is predicted that in 1994, Macao's gross domestic product would increase by 3.7 percent and the inflation rate would be kept under six percent.

In the first nine months of this year, Macao's exports reached 10.9 billion Macao patacas (MP) (1.34 billion U.S. dollars), an increase of 4.7 percent over last year's same period. Its imports were valued at 12.5 billion mp (1.56 billion U.S. dollars), up 4.2 percent over the January-September period of 1993.

Work on large infrastructural projects is going on smoothly.

The new Macao-Taipa bridge, which is over 5,000 meters long and 19.3 meters wide, went into operation early this year. Multi-functional Ka Ho oil depot, with a storage capacity of 86,000 cubic meters, was commissioned in June.

Construction of Macao international airport is in full swing. According to officials in charge of the project, the airport is expected to be completed three months ahead of schedule. Next June, when a plane takes off from the airport, the dream that local residents had for generations to have an airport of their own will come true.

Exchanges between Macao and the Chinese Mainland have become more active than ever before. In the first eleven months of this year, about 20 Chinese provinces and cities held trade fairs in Macao, with transactions exceeding 300 million U.S. dollars.

Local observers predict increasing cooperation and exchanges among China, Macao and Portugal with the year 1999 drawing nearer.

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